METRO TORONTO PROPERTY REVIEW

REPORT ONE
PROPOSED DEVELOPMENT PROGRAM

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TABLE OF CONTENTS

	Page
EXECUTIVE SUMMARY	**1**
I. BACKGROUND	**6**
PURPOSE AND SCOPE OF REVIEW	6
PRELIMINARY DEVELOPMENT PROGRAM	7
II. BASIS OF THE DEVELOPMENT PROGRAM: OBJECTIVES, REQUIREMENTS, PRINCIPLES, ASSUMPTIONS	**9**
GOVERNMENT ACCOMMODATION	9
REVENUE	11
PUBLIC BENEFITS: HOUSING	12
OTHER PUBLIC BENEFITS	13
DEVELOPMENT STRATEGY	14
GOVERNMENT MACHINERY	16
III. PROPERTY ANALYSIS	**19**
90 HARBOUR STREET	19
EAST BAYFRONT	22
70 LOMBARD STREET	25
145 QUEEN STREET WEST	27
ARMOURY/CHESTNUT	31
EAST OF BAY/WEST OF BAY	33

Page

2195 YONGE STREET.....38

ELLESMERE/McCOWAN.....40

5000 YONGE STREET.....42

FALSTAFF/KEELE.....45

BURNHAMTHORPE/EAST MALL.....47

LAKESHORE PSYCHIATRIC HOSPITAL.....49

IV. DEVELOPMENT PROGRAM 52

PROPOSED PROGRAM.....52

VALUE AND REVENUE.....54

IMPLEMENTATION.....56

A. Development Mechanisms.....

B. Timing.....

V. CONCLUSIONS 58

APPENDIX: 1. PROPERTY INVENTORY

2. ANALYSIS OF MARKET CONTEXT; ESTIMATION OF PROPERTY VALUES; DEVELOPMENT MECHANISMS
(Bound separately)

EXECUTIVE SUMMARY

1. PURPOSE

The purpose of the Metropolitan Toronto Property Review is to determine a development program for the following 13 provincial properties:

Toronto
90 Harbour Street
East Bayfront - OPP
East Bayfront - LCBO
70 Lombard Street
145 Queen Street West
Armoury/Chestnut
East of Bay sites
2195 Yonge Street

Scarborough
Ellesmere/McCowan

North York
5000 Yonge Street
Falstaff/Keele

Etobicoke
Burnhamthorpe/East Mall
Lakeshore Psychiatric Hospital

The review also considers certain other properties in terms of their relationship to the overall development program, specifically the Old City Hall, Osgoode Hall, and certain sites west of Bay Street.

The review is guided by general objectives relating to government accommodation; securing social and community benefits (in particular, increasing the supply of affordable housing in Metro Toronto); and maximizing revenue from the disposal of properties not required for government accommodation or public benefits.

During the study, a preliminary development program was reviewed with relevant government parties and the local municipalities. The preliminary program was subsequently refined, and detailed development concepts were established for the City of Toronto properties and the 5000 Yonge Street site. The findings and proposals of the Metro Toronto Property Review are set out in four reports:

Report One - Proposed Development Program
Report Two - 5000 Yonge Street
Report Three - Toronto Properties (except East Bayfront)
Report Four - East Bayfront Properties

2. BASIS OF DEVELOPMENT PROGRAM

The proposed development program is based on the identified objectives -- government accommodation, public benefits, and revenue -- and on the development strategy to achieve these objectives. The report considers the following elements:

Government Accommodation

- o A progressive shift from leased premises to owned premises
- o Limited decentralization to appropriate suburban locations on a "fair share" basis, to provide convenient service, reinforce suburban sub-centres and generate local employment and economic activity
- o Need for up to 1 million sq. ft. of new government office space at Queen's Park and 500,000 sq. ft. downtown; this will allow for the retrofitting of existing buildings and expansion of space at Queen's Park, and individual requirements (e.g. Attorney General, Ontario Hydro, etc.) at suitable locations.
- o Reservation of premium sites in the portfolio for government activities that require or will benefit significantly from high profile locations.

Public Benefits

- o Provision of substantial amounts of social housing -- directly on suitable sites in the portfolio, and indirectly through revenues generated by the disposal of properties for private development
- o Provision of cultural, recreational, and institutional facilities; specifically, the future Ballet Opera House and Toronto Courthouse, the retention of the Old City Hall as an operating building, and the provision of public parkland

Revenue

- o Generation of revenue from properties through disposal of sites not needed for direct government purposes
- o Use of premium sites for high-value development that will generate maximum revenue
- o Organization of properties in optimum parcels for development and marketing

3. PROPERTY ANALYSIS

Each of the properties in the portfolio is analysed with respect to its present situation, the proposed development program, and property value. (See Section III.)

4. DEVELOPMENT PROGRAM

The proposed program is based on the conclusion that it is not feasible to treat the portfolio as an integrated "package" for development. Each property is dealt with individually, and the total program strikes a balance between the government objectives of accommodation, public benefit, and revenue.

The program would provide:

Government office (incl. ABC's)	2,010,000 - 2,310,000 sq. ft.
Commercial office	4,055,000 sq. ft.
Industrial or Quasi-commercial	1,900,000 sq. ft.
Retail	310,000 sq. ft.
Institutional:	
Courthouse	630,000 sq. ft.
Ballet Opera site	
Housing:	
Condominium	2,660 units
Single-family	110 units
Rental	170 units
Social housing	1,560 units
Total Residential	4,500 units

The program also provides major public parkland at the Lakeshore Hospital site, and local parks at East of Bay, 2195 Yonge, and Falstaff/Keele. It proposes placing agencies, boards and commissions at the Old City Hall in order to retain the building as an operating facility.

Alternative programs are set out for several sites, depending on individual site circumstances and the overall approach taken for the properties in the City of Toronto.

The portfolio has a total property value of $312 million under the present zoning. The estimated market value is $418 million, while the projected development value of the portfolio under the proposed program is $406 million. The net value, excluding direct government uses, is estimated at $310 million.

5. CONCLUSIONS

The MTPR portfolio has a strong potential for satisfying the government's property and program objectives. The properties can be developed to provide several million square feet of government and commercial office space, as well as retail space and industrial or quasi-commercial space. It can provide a total of 4,500 dwellings (35% in the form of social housing); and other important public benefits, including the retention of the Old City Hall, provision of sites for the Toronto Courts Complex and the Ballet Opera House, and provision of public parkland. The development program could generate over $300 million in revenue through disposal of sites for private development.

The key properties are:

145 Queen West

- The prime revenue producer in the portfolio. Should be brought on to the market by the early 1990's to capitalize on the commercial office market.

- This will require significant acceleration of development approval and design of the new Courthouse at Armoury/Chestnut, and an early decision on the feasibility of using the Old City Hall for the ABC's of the Ministry of the Attorney General.

90 Harbour Street

- Has very good revenue potential and is suitable for the required relocation of Ontario Hydro from University Avenue.

- Development will require complex negotiations in a very tangled local political situation.

Bay-Wellesley

- The key block at East of Bay; should be planned to secure most effective disposition of density rights and building relationships between Ballet Opera House, proposed commercial office building and Yonge Street frontage (value $7 million).

- Most suitable way to proceed is to convey entire block (value $60 million) to Ballet Opera House Corporation in place of future provincial capital assistance.

5000 Yonge Street

- Also a potential site for relocating Ontario Hydro.

- Suitable for early development. Development plan and approval for entire block should be finalized prior to transfer of the PAC site from Beecroft to Yonge.

East Bayfront Properties

- Should be made available to Torstar only if an integrated development can be secured which incorporates a quasi-commercial building, such as the proposed computer centre. Failing this, the properties should be kept in interim use (retaining the LCBO) for perhaps 10 years, until the long-term development values have materialized. If the properties go to Torstar for exclusive use, this should be on a lease basis rather than by outright sale.

Other Properties

- Most of the other properties are market-ready and could be disposed of quickly, subject to relocating the present users. Some of the properties do not require rezoning; others can be disposed of subject to rezoning; while still others can be dealt with most effecitvely by rezoning them prior to disposal. (The timing is discussed in Section IV.)

Development Strategy

- Treating the portfolio as a consolidated development package will not be tenable. Each property should be dealt with on its own merits, on a site-by-site basis, though some (145 Queen, the Courthouse site and Old City Hall) will benefit by being dealt with in relation to each other. The fundamental strategy is to ensure that what is decided for each site fits into an overall program in which the different government objectives are balanced, as is proposed in this report.

- Complex development mechanisms for the government properties should be avoided. The government should act as the developer for its own buildings, and should dispose of the sites for private development outright. There will be exceptions to this principle, however, such as the East Bayfront properties.

- The present government machinery is not adequate for dealing with this kind of a development program, as is evident in several specific cases. The complexity of the decision process and the need to reconcile disparate interests create bureaucratic, political and structural problems which made it difficult to carry out an efficient and effective development program.

- The need is for a process which can make authoritative and timely decisions as to what constitutes the provincial "interest" in each property, and which facilitates authoritative and timely actions to secure this interest. This may be possible with improved department arrangements, but a crown corporation type of organization may be required in the end.

I. BACKGROUND

PURPOSE AND SCOPE OF REVIEW

The Metropolitan Toronto Property Review was established to formulate a development program for a group of provincial properties located in Toronto, Scarborough, North York and Etobicoke. Most of the properties in the portfolio are now being used for government purposes, though some are in private use or are vacant. It is considered likely that these properties will undergo development or redevelopment within the next 10 years or so.

The purpose of the review, as originally set out, was to consider the feasibility of establishing an overall development strategy for this portfolio, and to determine a suitable long-term development program for the portfolio as a whole. In addition, the review was intended to prepare specific development concepts for those properties considered to be suitable for development in the near term. This original mandate has been modified to an extent, but the basic purpose of the exercise remains in place.

The location of the properties is shown on the following map. The properties comprise a total area of around 112 acres, and include the following:

Toronto

- 90 Harbour Street (2.5 acres)
- East Bayfront - OPP (4.1 acres)
- East Bayfront - LCBO (11.4 acres)
- 70 Lombard Street (0.54 acres)
- 145 Queen Street West (1.75 acres)
- Armoury/Chestnut (1.63 acres)
- East of Bay sites (6.4 acres)
- 2195 Yonge Street (1.92 acres)

Scarborough

- Ellesmere/McCowan (9.0 acres)

North York

- 5000 Yonge Street (Provincial Site: 7.36 acres)
- Falstaff/Keele (24.1 acres)

Etobicoke

- Burnhamthorpe/East Mall (9.6 acres)
- Lakeshore Psychiatric Hospital (Residual Site: 32 acres)

LOCATION OF MTPR SITES

The review also takes into account other properties which have a direct relationship to the potential development of some of these sites. These are the Old City Hall (under lease from Metro); the Osgoode Hall/361 University air rights; and certain sites west of Bay Street (1.5 acres).

At the outset of the review, the following general objectives were laid down as a guiding framework for the use of the government properties :

a. Provide necessary government accommodation at suitable locations.

b. Achieve social and community benefits in appropriate locations; in particular, using the government property portfolio to facilitate the supply of affordable housing in Metro Toronto.

c. Secure the maximum achievable revenue from the disposal of surplus properties not required for government accommodation or for providing public benefits.

PRELIMINARY DEVELOPMENT PROGRAM

Working within this framework, preliminary development objectives were established for each of the properties in the portfolio. These were reviewed with relevant government parties, and were accepted by the government as a basis for detailed discussions with the local municipalities. Taken together, the proposals constituted a preliminary development program which comprised the following, in total:

Government office space	-	1.6 - 1.9 million sq. ft.
Commercial office space	-	2.9 - 3.3 million sq. ft.
Retail space	-	100,000 sq. ft.
Housing: Condominiums	-	1,930 units
Single family	-	125 units
Rental apartments	-	485 units
Social housing	-	905 units
Total		3,445 units

The preliminary program also contemplated the provision of a series of public benefits, including two small local parks; a site for the proposed Ballet-Opera building; a new central courthouse; a site for the new Metro Hall; and a major tract of public open space, together with continuation of local health service facilities at the Lakeshore site. (It should be noted that the preliminary program did not provide a complete assessment of the portfolio; the East Bayfront lands were not dealt with, and 5000 Yonge was considered only with respect to government accommodation.)

Following the submission of this preliminary program, it was determined that detailed work should proceed on the properties within the City of Toronto and on the 5000 Yonge Street site in North York (which was the subject of a joint planning exercise with the municipality). Discussions were initiated at the political level with respect to the Lakeshore Hospital site in Etobicoke, and further examination of the remaining suburban properties was put in abeyance, or dealt with internally in the Ministry.

The MTPR Report, as now constituted, comprises four individual reports:

Report One	- Proposed Development Program
Report Two	- 5000 Yonge Street
Report Three	- Toronto Properties (except East Bayfront)
Report Four	- East Bayfront Properties

II. BASIS OF THE PROGRAM: OBJECTIVES, REQUIREMENTS, PRINCIPLES, ASSUMPTIONS

GOVERNMENT ACCOMMODATION

1. The review deals with the question of government accommodation on the basis of two main elements in the government's Portfolio Management Strategy: That there will be a progressive shift from leased premises to owned premises, and that there will be a program of limited decentralization to suburban locations on a "fair share" basis.

2. The available information indicates that there will be a substantial need for new government accommodation in central Toronto. The stock of leased premises south of Bloor Street exceeds 2 million square feet; there is evidently a demonstrable need to provide a pool of new office space to allow for a staged program of retrofitting the existing buildings at Queen's Park; and expansion requirements for the central government activities at Queen's Park are indicated to be in the range of 50,000 to 75,000 square feet per year. Current thinking indicates that in the near future provision should be made for up to 1 million square feet of new government office space at Queen's Park, and perhaps 500,000 square feet of new government office space downtown.

3. Suburban decentralization involves government activities that are needed to provide a convenient level of service to major suburban communities and population centres, and those activities that can be expected to provide a source of local employment and economic activity. Government activities at suburban locations should also reinforce local planning and development programs involving the establishment of major suburban sub-centres. Of the three government properties available, only the North York and Scarborough properties (5000 Yonge and Ellesmere/McCowan) provide appropriate locations for government facilities. They are located in the major suburban sub-centres serving North Metro and East Metro, while the Etobicoke property is at a peripheral location well removed from the prospective West Metro major suburban centre. Under the "fair share" decentralization program it would be appropriate to provide a significant amount of government office space at the North York and Scarborough sites, but if any new government accommodation is to be provided in the west end it should be directed to the proposed Etobicoke sub-centre at Six Points, as and when this materializes. This would ensure that all of the new government suburban buildings would be established at appropriate transit-related locations which fit into the overall metropolitan development pattern and that they would serve to reinforce municipal planning and development policies.

4. The portfolio provides certain "premium" locations which are, by and large, the sites presenting a high market value (145 Queen; 90 Harbour Street; the Bay-Wellesley block; 5000 Yonge; and to a lesser extent 2195 Yonge and Ellesmere/McCowan). As a general rule, the premium sites should be reserved for government activities that require or will benefit significantly from such locations. These would include:

   - Headquarters and management activities that require direct regular contact with central government operations (i.e. Queen's Park locations)

   - Government activities that deal regularly with institutional or business uses located in the core area (e.g. courts and legal services)

   - Government services that need to provide a high level of public access (e.g. agencies, boards and commissions dealing with the general public)

   (As noted later, similar considerations apply to non-government use of premium locations.)

5. The review is not intended to establish a plan or program for the provision of government accommodation, but simply to ensure that suitable sites can be made available, within the portfolio, to establish required government facilities over the next 10 years or so, as circumstances dictate. In specific terms, it has been determined that the following should be provided for:

   a. Provision for new government space at Queen's Park totalling 500,000 to 800,000 sq. ft. This can be provided most appropriately west of Bay Street.

   b. Provision for the Ministry of the Attorney General (and possibly Labour), and related agencies, boards and commissions, to be consolidated at 145 Queen West and the Old City Hall (if feasible). Total space required is 400,000 to 650,000 sq. ft.

   c. Provision of a site for Ontario Hydro to replace the University Avenue property that is to be conveyed to Princess Margaret Hospital; the requirement is for a site with a capacity of around 500,000 sq. ft., and roughly equivalent in value to the University Avenue property. The suitable locations for this purpose are considered to be 90 Harbour Street or 5000 Yonge, and possibly the Bay-Wellesley parcel at East of Bay.

d. Provision of substantial government office accommodation at 5000 Yonge Street (500,000 to 600,000 sq. ft.) and Ellesmere/McCowan (250,000 sq. ft.). Provision should be made for suburban courtrooms in these two buildings, and possibly also in any prospective commercial office building at Burnhamthorpe/427.

e. Provision at 2195 Yonge for continuation of area or district offices serving North Toronto (estimated at around 35,000 sq. ft.). The main health and social service facilities now provided at this location can be suitably accomodated at 5000 Yonge Street, which has appropriate transit access for this purpose.

REVENUE

1. Use of the government properties to generate revenue represents a major objective of the development program. The portfolio as a whole has an estimated current market value of $395 million. Setting aside those properties that are needed for direct government purposes or to secure public benefits, it is likely that the sites available for revenue purposes could generate a total return of $275 million. The development program should be organized to optimize the likely revenue from the disposal of government properties.

2. As is the case with government accommodation, the use of the premium sites should be directed to high-value uses that are appropriate for the site and which can support such high-value locations. These will be largely commercial office buildings and condominium apartments, as well as high-traffic retail facilities in selected places. The premium sites, as already noted, include 145 Queen, 90 Harbour, the Bay-Wellesley block, 5000 Yonge, and to a lesser extent 2195 Yonge and Ellesmere/McCowan.

3. Sites that are to be disposed of for revenue purposes should be organized to provide developable and marketable parcels. As a general principle, it is advisable to secure the required zoning or official plan changes prior to disposal, though this will vary with circumstances. The properties for which pre-zoning should be obtained are likely to include 145 Queen, Ellesmere/McCowan, Falstaff/Keele, Burnhamthorpe/427, and certain parcels at East of Bay. The question of pre-zoning the waterfront sites (90 Harbour and East Bayfront) will have to await clarification of the impending waterfront freeze.

PUBLIC BENEFITS: HOUSING

1. A basic premise in the review is that the portfolio should be used to facilitate the production of affordable housing; in particular, to secure substantial amounts of social housing, either directly on the government sites or through the use of funds generated by the development program. The portfolio provides specific parcels that are appropriate for social housing of one kind or another (at East of Bay and Lombard), and a number of parcels particularly suited for seniors housing (2195 Yonge, 5000 Yonge, Ellesmere/McCowan, Lakeshore and Falstaff/Keele). The projected program, based on individual site considerations, can be expected to produce a total of around 4,500 residential units overall, of which 1,560 (35%) would be social housing. Given the individual site characteristics and a realistic appreciation of the likely development constraints, it is considered that the projected social housing ratio represents a reasonable production target. It is likely, though, that maximization of social housing production through the government portfolio could in the end depend more on utilizing the generated revenues for social housing than on the direct use of the sites for social housing per se.

2. In general terms, the projected revenue from commercial and private residential uses could support the acquisition of potential social housing sites for 20,000 to 25,000 units, involving a total area of perhaps 100 to 150 acres. In practical terms, this is not likely to take place. It is far from certain that suitable sites could actually be acquired at the prevailing "MUP" cost levels used to finance social housing development, nor is it likely that these kinds of sites are actually to be found in the indicated quantities. (Toronto's municipal non-profit housing program, for example, is hard pressed to find sites for as many as 250 or 300 units annually.) While the funds generated through the Metro portfolio can certainly be used for government housing programs in the greater Toronto area, the projected "capacity" of 20,000 units to be secured through revenue utilization could be illusory.

3. The ability to actually facilitate social housing production in appreciable quantities may depend on two premises. One is that, as well as allocating sites for social housing purposes on a generic basis (non-profit, cooperative, seniors), specific sites will be conveyed to identified housing producers, and that these sites will receive actual social housing program allocations from the Ministry of Housing. The prevailing allocation system requires substantial certainty that the sites in question are actually available to individual producers. It is assumed in the MTPR program that certain identified sites will be made available to specified producers (Cityhome, the Cooperative Housing Federation, the

Labour Council Development Foundation, and the Metropolitan Toronto Housing Company), and that these sites will have a committed program allocation from the Ministry.

4. The second premise involves a fundamental policy consideration. While it is doubtful that the actual site revenues can be used in a practical sense to secure alternate social housing sites in the indicated quantities, they could be used more effectively as a form of "trading" commodity. Thus, for example, available condominium sites in the portfolio might be made available to private developers prepared to supply equivalent sites (in value terms) for social housing at other locations. The policy implications involved (utilizing a form of proposal call involving alternate social housing sites, for example) would have to be assessed. As well, the actual social housing potential this might generate would have to be determined. In any event, it is a fair assumption that the use of the government property portfolio to facilitate social housing production will require indirect as well as direct mechanisms.

OTHER PUBLIC BENEFITS

1. The other public benefits that could be secured through development of the properties include various cultural, recreational and institutional facilities. The two main facilities involved are the Old City Hall and the future Ballet Opera House. A site in the northern block at East of Bay (Wellesley-Breadalbane) is being offered for this purpose. Establishing this cultural facility at this location involves complex development and financial issues which are discussed in the report on the Toronto properties (Report 3).

2. Preservation of the Old City Hall as a heritage building and its retention as an operating facility also represents an important public benefit that could be secured through the provincial development program. The property is now owned by Metropolitan Toronto and is occupied by provincial courtrooms that will ultimately be relocated to the new Toronto Courts Complex at Armoury/Chestnut. Retention of the building involves physical and financial questions which require study. Among them is determining the feasibility of accommodating provincial agencies, boards and commissions in the building when it is vacated; other potential public uses, such as the proposed civic museum, are also being investigated. It is clear that it will be of great public benefit to find a way of maintaining the building as a working institution in the central downtown public precinct, rather than simply preserving it as an architectural or historic relic. This matter is also dealt with in Report 3.

3. The provincial portfolio presents useful opportunities for providing public parkland at appropriate locations, including Falstaff/Keele, 2195 Yonge Street, and the East of Bay lands; as well, a 32-acre park area at the Lakeshore Hospital site is to be conveyed to the Metro Conservation

Authority. The provision of park space at 2195 Yonge and at Falstaff is relatively straightforward, but the potential for a park at East of Bay relates to the overall development strategy for the Toronto properties. This is considered in Report 3 as well.

4. In addition to providing park areas and public facilities, there is a limited but useful potential for using the portfolio to support or reinforce municipal planning and development policies and goals. This will be the case with the two suburban "downtown" properties (5000 Yonge and Ellesmere/McCowan), which offer an opportunity for consolidating the ongoing municipal development programs. There is also a potential for using some of the properties to generate major employment opportunities and provide support for municipal economic development programs. This is particularly the case with respect to the East Bayfront properties (dealt with in Report 4). The issue arises as well with the Lakeshore Hospital property, though the complex political questions surrounding this property and its strong potential for housing development militate against treating it as a major employment generator.

DEVELOPMENT STRATEGY

1. The review was undertaken on the supposition that it is desirable to establish an overall development strategy for the portfolio. An important purpose of the exercise is to assess whether an overall development strategy is in fact feasible. This question is approached from two standpoints -- programmatic and and operational. The first concerns the need to secure a suitable balance among the different program elements (accommodation, revenue and public benefit). While the central question for each property is to determine what kind of development will on balance best meet the government's overall objectives, this does not imply trying to "trade-off" these objectives with respect to the individual properties. The specific uses to be put in place have to be those that are suitable for the particular site, and that are realizable in the particular circumstances of that site. From a strategic standpoint, it is necessary to be confident that the development program as a whole strikes a suitable balance among the different objectives. This establishes a context for decisions regarding the individual sites; it provides a basic check on whether what is appropriate for each individual site makes sense from an overall program standpoint.

2. The other strategy question involves dealing with the portfolio as an integrated "package". This approach would assume that both municipal and provincial interests can be served by treating the total development product as a single entity, in which specific provisions (density entitlements, etc.) are in effect "traded" between the various properties to achieve an optimum overall program. Thus, for example, the initial premise was that the East of Bay properties could serve as density

repository or donor sites. The basic objective would be, in essence, to exchange potential commercial entitlements at East of Bay for potential residential entitlements downtown, at 145 Queen and 90 Harbour; similar arrangements might be contemplated concerning downtown institutional uses. An underlying premise in this approach would be to broaden the range of public benefits qualifying for density bonusing, so as to utilize unique housing and institutional benefits that could be generated through the government properties. (These questions are reviewed in Report 3.)

3. It was also hypothesized that the package approach might be applied to a lesser extent for the suburban properties; that suitable trade-offs might be secured with respect to the two North York and the two Etobicoke properties, and that a package approach might be taken to the three properties with "Metro" implications -- the Old City Hall, the Lakeshore Hospital site, and 145 Queen (as a potential location for the new Metro Hall).

4. In the event, it has become evident that a true package approach is not really feasible, though minor elements (e.g. the downtown institutional density transfers) may yet be put in place. The interplay between the diverse technical and political interests involved will almost certainly dictate that the individual Toronto properties will be dealt with separately rather than comprehensively. It is also the case that there is no effective way to mobilize an overriding "Metro" interest in the disposition of the suburban properties, or to connect these properties to the question of the Old City Hall.

5. As well, it is likely that prevailing density bonus practices in Toronto will be constrained in the future. Growing public and political concern with how the system has been operating has led to a judicial appeal concerning the use of Section 36 of the Planning Act in connection with the World Trade Centre development (adjoining 90 Harbour Street). The Ministry of Municipal Affairs is preparing guidelines that are intended to narrow the scope and formalize the process through which bonusing takes place. There are also internal pressures on the City to modify its current practices, and there are strong indications that there will be at least some curtailing of the prevailing practices. This could affect the potential for processing the MTPR portfolio as a package.

6. There are also obstacles at the provincial level to carrying out a package approach. The machinery may be receptive to viewing the portfolio in overall program terms, but there are serious limitations to proceeding on a true package basis. The range of issues involved, the disparate provincial interests concerned, and the sheer complexity of the provincial decision process, must be seen as serious obstacles to securing the kind of action commitment that would be entailed in carrying out an integrated

approval and development process for the various properties. The overall program may serve reasonably well as a framework for arriving at individual decisions and proceeding with individual actions, but there is a strong probability that action on each property will continue to be taken case by case.

7. The conclusion has been reached that it will not be advisable to try to proceed with a package approach, and that the properties should instead be dealt with on a site-by-site basis. This has resulted in modifications to the preliminary development program that served as the basis for local discussion and site investigation. The program which is set out here incorporates proposals that are considered to represent reasonable objectives in dealing with each property in its own terms, in accordance with prevailing practices and expectations.

GOVERNMENT MACHINERY

1. It should be assumed that the government will act efficiently and effectively in dealing with its real estate holdings. That is, it will arrive at sensible decisions which take account of the relevant factors, and it will put these decisions into effect in a timely manner. If there is in fact a strategic approach (i.e. trying to secure the most effective use of each property while at the same time trying to strike an overall balance between the government's different objectives), it is obviously necessary to have machinery to carry out such a development program in an efficient and effective way.

2. The indications are that this kind of machinery is not really in place. The difficulties in reconciling disparate interests, the complexity of the decision process, and the problems in identifying the actual provincial "interest", as well as the difficulties in actually applying this interest, seriously constrain the likelihood of effective action. This can be seen by reference to past property decisions that have been taken -- or not been taken -- which can be expected to affect the government's ability to make the most effective use of the portfolio. Some illustrations of failures to properly attend to the government's property interests can be cited:

   - The failure to respond properly or effectively to the development proposal for the property directly north of the Armoury/Chestnut courthouse site. This project, as approved and under construction, comprises two tall towers on the immediate lot line of the government site, with apartment and hotel windows facing the future courthouse building at a minimal distance. This will likely require building setbacks, and possibly height restrictions, that could make it difficult to secure the optimum design for the bulky courthouse structure. It can also confidently be expected to produce concerted resistance to the rezoning for the courthouse site.

- o The lack of involvement in the processing of the World Trade Centre development south of the Gardiner Expressway. As a result, the 90 Harbour Street property, which occupies the west half of the Bay-York block, remains zoned at half the density approved for the east half. Because the government did not act to ensure the ultimate integration of the provincial property with the massive project on its east lot line, it will now be necessary to undertake a very difficult and litigious official plan and rezoning exercise for the government site, with results that are far from certain.

- o The disposal of the property at the rear of 2195 Yonge, for incorporation into a new mixed commercial-residential development on Holly Street. The density rights associated with this parcel could have been used much more effectively to sustain a proper development on the Yonge frontage. Instead, it is now necessary either to cut back substantially the number of seniors apartments to be accommodated, in order to secure a suitable commercial office development on this mixed-use site, or alternatively to drastically reduce the potential revenue to be secured from developing the property.

- o The government's decision not to proceed with the original proposal to assemble the Armoury/Chestnut site and the adjacent Bell Canada property on University Avenue in order to establish a "Justice Complex", comprising the new courthouse and the Attorney-General headquarters and ABC's. This would have served to release 145 Queen Street for its true commercial potential, and would have provided an opportunity to consolidate this significant public precinct.

3. Other illustrations can be cited. What they demonstrate is that the way the machinery operates makes it difficult to appreciate the immediate implications, let alone the broad implications, of taking action or not taking action on given properties. The obstacles may be "bureaucratic"; they may be "political"; they may be structural; they may be adventitious. Whatever the case, it is doubtful the government will be able to proceed expeditiously with the proposed development program for the Metro Toronto properties unless the internal machinery is improved.

4. The needs can be summarized simply. The government's development machinery should be in a position to do the following:

   - o Establish how each property fits into a strategic framework

   - o Coordinate internal government needs so as to identify the real government "interest" in each property and act to secure that interest

- o Be actively involved in external events surrounding the properties (municipal policy changes, development proposals for neighbouring and nearby properties, etc.)

- o Monitor the external situation and the state of the property inventory

- o Ensure that development processing is carried out effectively. In particular, this means acknowledging that to be successful it is frequently necessary to utilize approaches and apply techniques, such as municipal lobbying, that are outside the mainstream of normal government behaviour and outside the range of normal government resources. As matters now stand the government is simply not suitably positioned to undertake the kind of complicated and contentious rezoning which some of the properties will require. (If there is a single central finding in this review, it is that the essential first step in dealing with many of the properties will be to secure the services of an outside lawyer with the attributes and skills needed to design and manage the development approval process from beginning to end.)

5. How to organize the government machinery for developing the properties is outside the terms of this review, but certain directions can be indicated. First is the need to arrive at a central decision-making process that can produce authoritative and timely decisions as to what constitutes the actual provincial "interest" in each property. Second is to provide an arrangment that allows authoritative and timely actions to be taken to secure this interest. It is possible that this can be achieved under normal inter-departmental arrangements. What may be needed, in the end, is something in the nature of a crown corporation that can operate in a quasi-autonomous fashion to apply on the ground the policy which has been established at central government levels.

III. PROPERTY ANALYSIS

This section outlines the present situation and main development issues concerning each property, the proposed development program, and the projected property values. Site context maps are provided with the discussion of the relevant property or group of properties. Appendix 1 provides a detailed site inventory, and estimated land valuations for each property are included in Appendix 2.

90 HARBOUR STREET
(2.5 acres; 108,300 sq. ft.)

A. Situation

The 90 Harbour Street property occupies the western half of the York-Bay block directly south of the Gardiner Expressway/Lakeshore Boulevard alignment. The balance of the block (including the heritage THC building), and the adjacent blocks to the east and southeast, are the site of the proposed World Trade Centre development which was recently approved by the OMB. They will be developed with high-rise office buildings and condominiums, and a ground-level retail component, at an overall density of FSI=7. The block to the south, between Harbour Street and Queens Quay, is being developed with office and apartment buildings at a density of FSI=9.6 (Waterpark Place).

The property now contains the 5-storey OPP Headquarters building. It is scheduled to be vacated, possibly by 1991, as part of the impending OPP relocation. When the property is vacated it will represent a key development block in the central waterfront area. It has very prominent exposure from the Gardiner Expressway and reasonably good, though congested, access. The site geography provides a restricted lakeside view corridor across the York Street slip from the western end of the property. The site is a prime location for commercial office use and presents a modest market for specialty retail space. There is also an established market for luxury condominium apartments in this area.

Present zoning will allow commercial development totalling 325,000 sq. ft. (FSI=3), or a commercial-residential mix with up to 150 units. Prevailing municipal opinion is sympathetic to development of the property in a manner similar to the adjacent World Trade Centre. This would allow for commercial office development at FSI=4.5, and retail development at FSI=0.5. To secure the equivalent density of FSI=7 would likely necessitate the provision of housing (at FSI=2) on-site, or at other locations in exchange for commercial on-site, consistent with the City's current practice and Official Plan provisions; among other things, these call for 30% of the housing units to be in the form of assisted housing.

B. Issues

Prospective development of 90 Harbour Street is affected by several issues:

i. The property is caught up in the current controversy concerning Harbourfront and central waterfront development. Local resistance from Harbour Square residents to additional traffic-generating development can be expected to arise in connection with any rezoning and Official Plan amendment for the property.

ii. The site geography and immediate surroundings (traffic congestion, expressway, ramps, etc.) produce a ground-level environment that is hostile to pedestrians and is not conducive to residential use of the property, except possibly for non-family occupancy. Unless alternate ways can be secured to satisfy the residential zoning requirement it may be difficult to develop the site to the approved commercial density of FSI=7 which applies to the adjacent half of the block. The 30% social housing specification may present a further complication.

iii. The property represents a suitable site for relocating Ontario Hydro, as required for the Princess Margaret Hospital development on University Avenue, and a sound case could be made for the rezoning needed to provide the required floor area (500,000 sq. ft., or FSI=4.6). This could be affected by the likely local resistance to further rezoning in this area.

C. Proposed Development Program

The Preliminary Development Program set an objective of 760,000 sq. ft. of commercial office development, based on securing an entitlement of FSI=7 for this use. Two alternative programs are now put forward, as follows:

		A	B
Commercial office bldg.	-	485,000 sq. ft. (possibly Hydro)	400,000 sq. ft.
Commercial office bldg.	-	--	300,000 sq. ft.
Retail	-	50,000 sq. ft.	50,000 sq. ft.
Residential (Condominium)	-	215,000 sq. ft. (215 units)	--
		750,000 sq. ft. (FSI=6.93)	750,000 sq. ft. (FSI=6.93)

As indicated, there are likely to be serious obstacles to securing either rezoning, though the mixed commercial-residential option (A) would be less problematic than the full commercial option (B). (It should be noted that Option A would probably be the most suitable way to proceed if it is decided to make the property available for the Ontario Hydro relocation.)

D. Value

The value of the property as zoned is estimated at $15.4 million. The estimated value of the full commercial option (B) is $36.7 million, and the estimated value of the mixed commercial-residential option (A) is $34.5 million. This probably represents the present market value, though this might have to be discounted because of the indicated difficulties in securing early rezoning of the property.

EAST BAYFRONT

a. LCBO (55 Lake Shore Blvd. East)
   (11.4 acres; 496,600 sq. ft.)
b. OPP (125 Lake Shore Blvd. East and 128 Queens Quay East)
   (4.1 acres; 178,600 sq. ft.)
c. Cooper Street road allowance: 0.9 acres; 40,800 sq. ft.
TOTAL DEVELOPMENT SITE: 16.4 acres; 716,000 sq. ft.

A. Situation

The East Bayfront properties comprise adjacent holdings which cover a two-block area between Queens Quay and Lake Shore/Gardiner Expressway, extending from Freeland Street east to Jarvis Street. The properties lie directly north of Marine Terminal 27 and the Redpath Sugar refinery. Immediately to the west is the Toronto Star plant and office building (1 Yonge Street), with the new World Trade Centre commercial and residential complex to be built directly beyond, west of Yonge. Running east from Jarvis is a mixed low-density commercial-industrial area. The LCBO property is divided in two sections by a short north-south street, Cooper Street, which could presumably be incorporated in any eventual redevelopment of the property.

The government properties occupy a transitional location between the high density commercial and residential redevelopment of the central waterfront district and the port industrial area, in which the City and Toronto Harbour Commissioners are hoping to develop an industrial park. The lands are now zoned industrial, with a density limit of FSI=12, which could theoretically allow a total development volume of over 8 million square feet of floor space, including, legally speaking, commercial office buildings. The City has taken steps to remove the commercial entitlement, and is likely to impose an interim development freeze, extending for a 1 to 2 year period, while the planning policies are sorted out for the East Bayfront and remaining central waterfront and Harbourfront lands.

The OPP property, at the east end, contains an administrative office building and central garage, as part of the OPP headquarters complex (which also includes the 90 Harbour Street building a half-mile to the west). The LCBO property comprises a number of different buildings and activities. These include the 4-storey head office building (which also contains the LLBO offices); a central warehouse and distribution building; a bottling plant; laboratory facilities; and the LCBO's central "all brands" and "vintages" retail outlet. These buildings are all located in the western block, between Freeland and Cooper. The block east of Cooper provides surface parking for both LCBO employees (around 300 spaces) and OPP employees (100 spaces). An inactive rail easement separates out a triangular 2/3-acre open area at the south end of the block which is used as a local parkette (although remaining in LCBO ownership).

The OPP is to leave its property at the end of 1991, as part of the scheduled headquarters relocation to a new complex in Brampton. There are no present plans to move the LCBO facilities, which would involve complex relocation questions. The government has received a proposal from the Toronto Star to acquire both properties (and the intervening Cooper Street allowance) for the construction of a new printing plant and 500,000 sq. ft. office building. Interest has also been shown by a major bank in establishing a 1 million sq. ft. computer centre on part of the government property.

An assessment of the Torstar proposal, and the general question of how to deal with the East Bayfront properties, are discussed in a separate MTPR report (Report 4).

B. Issues

The issues surrounding the East Bayfront properties are reviewed in the separate MTPR report. They include the following:

i. The disposition of the properties concerns the ultimate location of the effective boundary between the central waterfront commercial and residential area and the port industrial development area. This affects a number of different property interests (Redpath and other industrial and port users, and the future residential/commercial users of Marine Terminal 27) and involves complex political questions. Early action on the government properties could substantially influence the ultimate development pattern in the area; conversely, the government's long-term interests might be served by refraining from any significant actions until the ultimate development pattern and the corresponding land value structure have emerged.

ii. The Torstar proposal to acquire the government lands at what is effectively a suburban industrial land price represents a clear undervaluation of both the present and potential site value of the two properties. This might be alleviated if it were possible to combine the newspaper with the suggested computer centre or equivalent; this would involve complex physical, operational and financial questions. Also at issue is the question of whether the properties should be sold outright or conveyed under lease arrangements which would maintain for the government the long-term value appreciation of the sites.

iii. The prospective OPP relocation will free up the OPP site and its associated parking on the LCBO property (a total area of around 6 acres) within a few years, but relocation of the LCBO facilities would likely involve complicated decisions concerning the disposition of the bottling operations, replacement of the recently up-graded laboratory facilities, relocation of the central retail facilities, etc. Early disposal of the property, as proposed by Torstar, would entail timing problems that could be difficult to resolve.

iv. It is possible that the City may want to relate development of 90 Harbour Street to the goal of redeveloping the East Bayfront properties to generate industrial employment. There may also be an effort to relate the waterfront properties to the question of the Hearn Plant coal storage areas and their possible inclusion in the proposed Port District Industrial Park.

C. Proposed Development Program

In the East Bayfront development review four alternative programs are canvassed:

a. The Torstar proposal to develop a printing plant and 500,000 sq. ft. office building (approx. FSI=2).

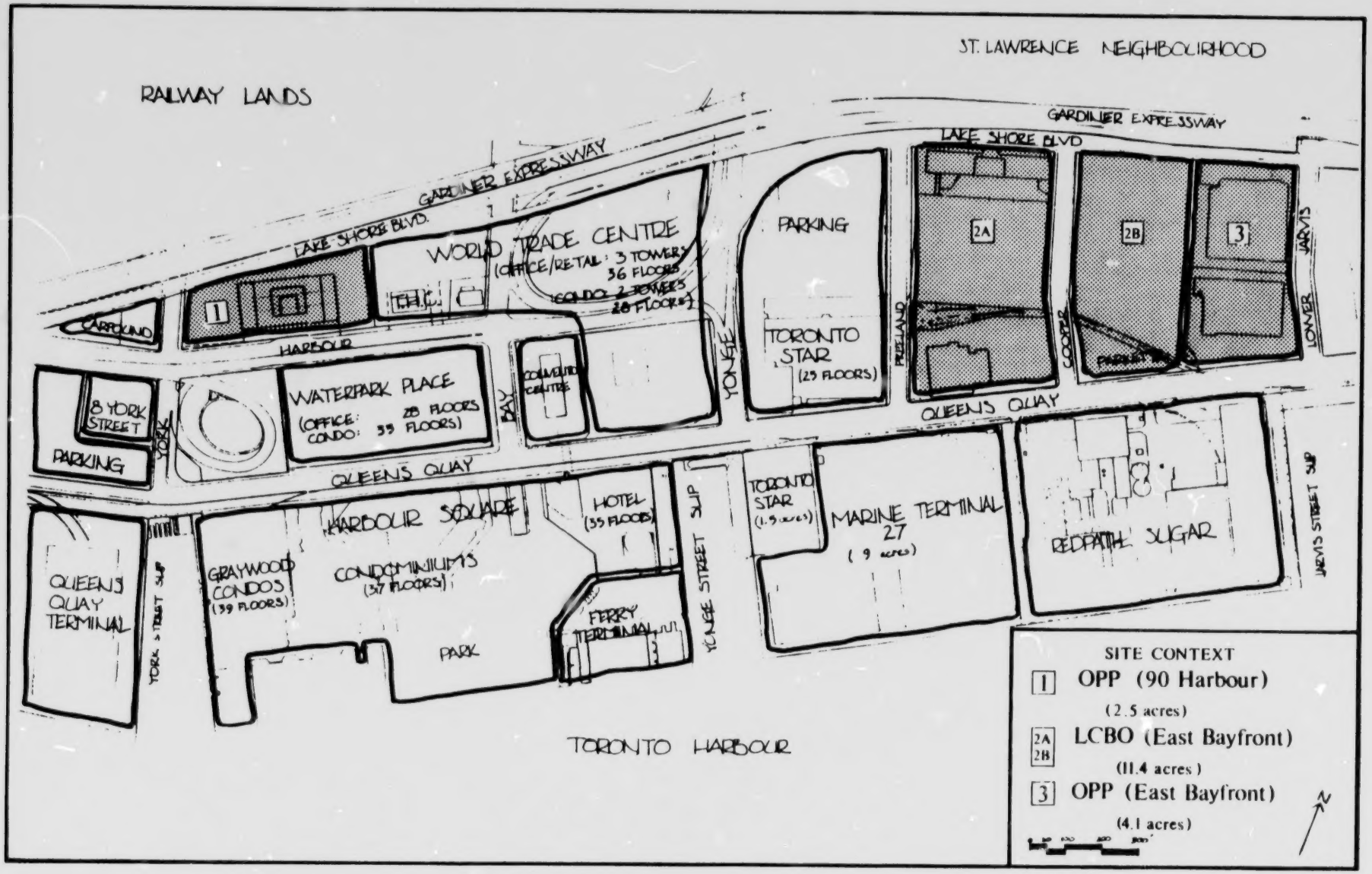
b. The Torstar proposal combined with a computer centre or equivalent use. Two variants are explored -- integration with the printing plant, and combining the government properties with the existing Star/Bramalea property, between Freeland and Yonge. In each case, provision is made for replacing the LCBO retail facilities on-site. (Approx. FSI=4.0)

c. Commercial office development (three 500,000 sq. ft. buildings), plus the 1 million sq. ft. computer centre, and the LCBO retail facilities. (Approx. FSI=4.8).

d. Interim utilization of the properties over a period of 10-15 years, involving two variants. In both cases, provision would be made for retention of the LCBO facilities over the period, with different potential uses for the OPP site (computer centre, short-term uses in the existing buildings, etc.). It is assumed that the emerging development trends and municipal policies regarding the central waterfront/port district will have been clarified within this period, as well as the corresponding structure of land values.

D. Value

Under the present industrial zoning (assuming elimination of the straight commercial entitlement, but allowing for quasi-commercial uses), the total value of the two properties is estimated at around $54.7 million ($41.7 million for the LCBO site and $13 million for the OPP site). This may be considered to represent the present market value, though again this might have to be discounted because of the effective development freeze on the properties. (The projected values of the various alternative development programs are discussed in Report 4.)


ST. LAWRENCE NEIGHBOURHOOD
RAILWAY LANDS
GARDINER EXPRESSWAY
LAKE SHORE BLVD.
GARDINER EXPRESSWAY
LAKE SHORE BLVD
WORLD TRADE CENTRE
(OFFICE/RETAIL: 3 TOWERS 36 FLOORS
CONDO: 2 TOWERS 28 FLOORS)
PARKING
TORONTO STAR (25 FLOORS)
2A
2B
3
JARVIS
LOWER
CAPREOLAND
1
HARBOUR
PRESCOTT
YONGE
BAY
8 YORK STREET
PARKING
WATERPARK PLACE
(OFFICE: 28 FLOORS
CONDO: 35 FLOORS)
COLUMBUS CENTRE
QUEENS QUAY
QUEENS QUAY
HARBOUR SQUARE
HOTEL (35 FLOORS)
TORONTO STAR (1.9 acres)
MARINE TERMINAL 27 (9 acres)
REDPATH SUGAR
JARVIS STREET SLIP
YONGE STREET SLIP
QUEENS QUAY TERMINAL
YORK STREET SLIP
GRAYWOOD CONDOS (39 FLOORS)
CONDOMINIUMS (37 FLOORS)
FERRY TERMINAL
PARK
TORONTO HARBOUR
SITE CONTEXT
1 OPP (90 Harbour)
(2.5 acres)
2A 2B LCBO (East Bayfront)
(11.4 acres)
3 OPP (East Bayfront)
(4.1 acres)
N

70 LOMBARD STREET
(0.54 acres; 23,500 sq. ft.)

A. Situation

The Lombard Street property is a small L-shaped site that runs from Lombard to Richmond Street, midway between Church and Jarvis. The building is used by the Chief Election Officer, and also provides storage for the Metro area ballot boxes.

The site is in the middle of a medium density commercial and warehouse area that is currently undergoing spot redevelopment, mainly with condominium housing. A new 9-storey condominium building has recently been built directly to the east of the property, and a more substantial 15-storey condominium and hotel development is under construction to the east, at Lombard and Jarvis. Other substantial condominiums have been built in recent years in the general area south of the property.

Present zoning allows the construction of around 24,000 sq. ft. of commercial office space on the property, or a commercial-residential mix with up to 75 residential units. If the site were developed jointly with the adjacent parking lot to the west, it would probably be able to accommodate around 160 residential units under a rezoning for mixed residential and commercial use.

Under Toronto's current housing policy, if the site were developed with social housing, it would be able to accommodate 102 cooperative or non-profit units. A prospective Official Plan amendment which may be enacted in the fall and which would apply to this site as well as others, would increase the capacity for social housing still further to 126 units. This would require either general or site-specific rezoning, as well as the covering Official Plan amendment.

The site has been under active consideration by the Labour Council Development Foundation for development with cooperative housing. Prevailing municipal opinion is favourable to development with cooperative housing at the maximum density allowed under the present or prospective Official Plan policy.

B. Issues

Development of the property with cooperative housing is clearly indicated. The following issues are noted:

i. While joint development with the adjacent parking lot would probably be more productive than development of the site independently, indications are that the property owner involved would likely make onerous financial demands. Joint development would, as well, necessitate a lengthy and possibly difficult rezoning process.

ii. Residents of the new condominium building adjacent to the property might be expected to be concerned with the possibility of assisted housing being constructed next door. As well, they would likely be seriously concerned at the prospect of a building being constructed which is as high as or higher than their own building (9 storeys). This puts into question the prospect for timely approval of any development for which rezoning would be needed, and sets a constraint on the likely building design.

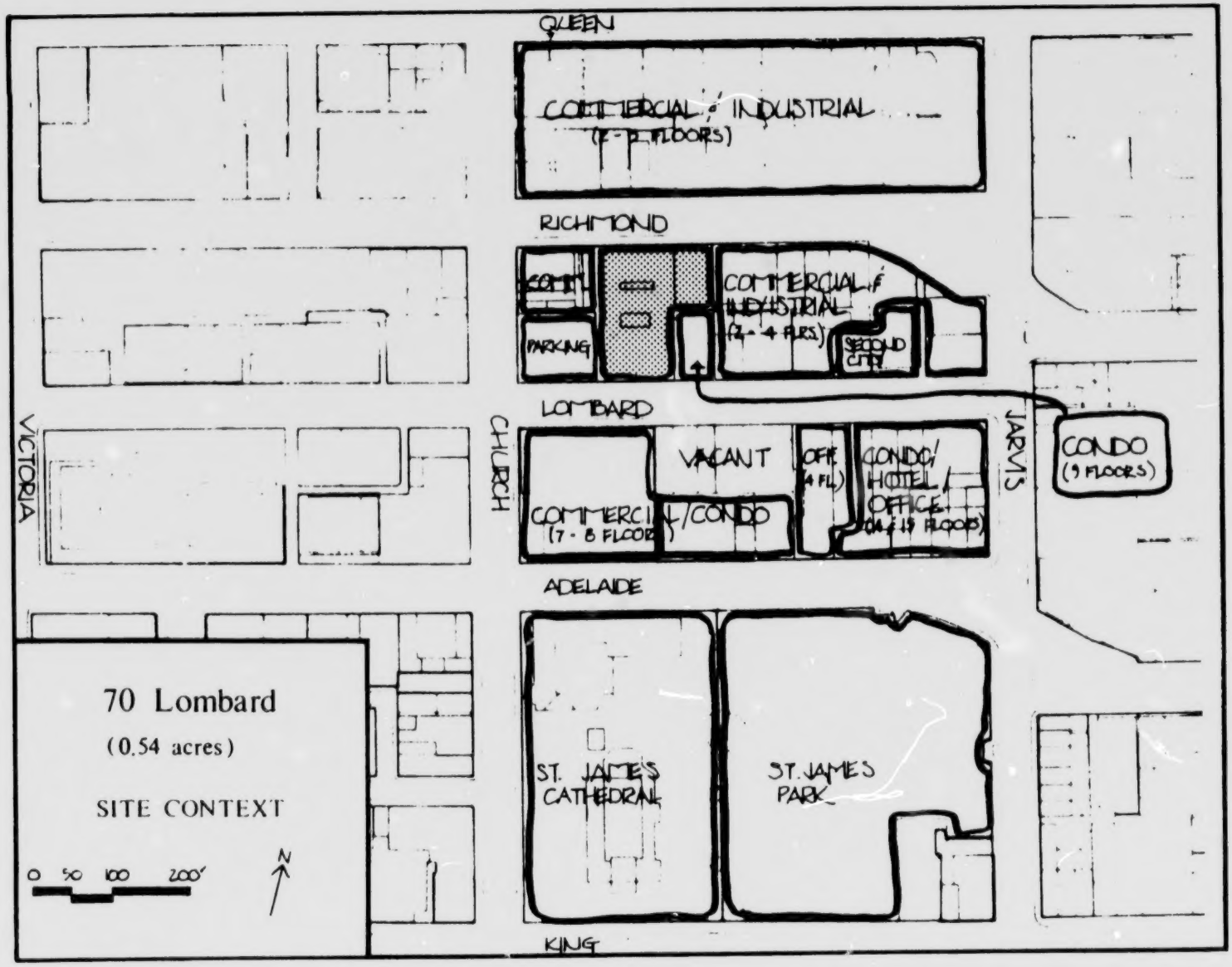
iii. Development of the property requires relocation of the present Chief Election Officer facilities. Because of the complexities of the social and non-profit housing allocation program, it would be necessary to secure a relatively early commitment to relocating the CEO if the property is to qualify as a prospective candidate for the 1988 or even the 1989 social housing program allocation.

C. Proposed Development Program

The Preliminary MTPR Development Program established a development objective of 160 cooperative housing units for this property (based on joint mixed-use development). Further studies of the site's physical capacity, and the presumption that a substantial rezoning proposal would not be advisable, indicate that the site can be developed most effectively at the presently-permitted level of 102 cooperative units. In the event the Official Plan and zoning are amended to allow for 126 units, consideration could then be given by the LCDF to the feasibility of proceeding with the required site rezoning, in the light of the prevailing situation regarding social housing program allocations.

D. Value

The present value of the property, for redevelopment with conventional housing under the existing zoning, is estimated at $2.1 million. For development with 102 cooperative units, as proposed, the site value is estimated at $1.1 million. The site value, if developed with 126 cooperative units, is estimated at $1.4 million.


QUEEN
COMMERCIAL / INDUSTRIAL
(2 - 5 FLOORS)
RICHMOND
COMMERCIAL / INDUSTRIAL
(2 - 4 FLRS.)
PARKING
SECOND CITY
LOMBARD
VACANT
OFF. (4 FL.)
CONDO/ HOTEL / OFFICE
COMMERCIAL/CONDO
(7 - 8 FLOORS)
CONDO
(9 FLOORS)
VICTORIA
CHURCH
JARVIS
ADELAIDE
70 Lombard
(0.54 acres)
SITE CONTEXT
0 50 100 200'
N
ST. JAMES CATHEDRAL
ST. JAMES PARK
KING

145 QUEEN WEST
(1.75 acres; 76,200 sq. ft.)

A. Situation

The property at 145 Queen West is occupied by a 7-storey building which houses Supreme and District Courts and other judicial offices. It is next to the Sheraton and Westin Hotels, to the east and south; is bounded by University Avenue on the west; and is across the street from Osgoode Hall, with Nathan Phillips Square further to the east.

When the present court facilities are relocated the site will provide the last remaining unencumbered development block in downtown Toronto. It has very prominent exposure from University Avenue and benefits from good vehicular access and excellent transit access (including a subway station at the corner of the property). It represents a prime commercial development opportunity, and can also be developed so as to consolidate the major public precinct in west downtown. It is, as well, a prime location for luxury condominium apartments.

Present zoning will allow commercial development totalling 610,000 sq. ft. (FSI=8). The site can also be developed to accommodate a mixture of commercial and residential uses at FSI=12, amounting to a total of 915,000 sq. ft.

B. Issues

Development of the property involves the following issues:

i. The allowable mixed-use density (FSI=12) may represent underutilization of the site's development potential. Given the full-block geometry and location, and taking into account prevailing downtown density patterns, it is considered that it would be appropriate to develop the site to a density of FSI=14. This could be accomplished within the permissible building height limitation, and with proper consideration for the immediate surroundings. To secure this level of commercial development would require using various density transfer and bonusing mechanisms, related, among other things, to the ultimate disposition of the Old City Hall. Present indications are that neither the municipal politicians nor the local planning officials will support commercial development in excess of the emerging downtown "norm" of FSI=12. (It can be noted that it is theoretically possible to increase the permitted bulk substantially above FSI=12, by providing for very large apartment units.)

ii. As well as representing a prime commercial opportunity, the site is very suitable for government uses that would benefit from a downtown location. It is particularly suitable for the MAG head office functions which require a close physical relationship to the law courts, and for agencies, boards and commissions (ABC's) which deal regularly with the legal profession and with the public. In developing the property it is necessary to determine an appropriate balance between potential commercial office and retail development, which would serve to generate substantial revenue, and appropriate government users, such as MAG and the Ministry of Labour.

iii. Development of 145 Queen West may be closely related to the government's implicit or explicit commitment to preserving the Old City Hall. This is both a financial question, involving what are likely to be very high renovation costs, and also a matter of determining the suitability of establishing ABC's and other public or quasi-public uses in the building. These matters are now under study by MGS. The present municipal thinking at the technical level seeks to tie in the 145 Queen density question with the preservation of Old City Hall. Other mechanisms may be available to secure a suitable development density at 145 Queen, but they will likely involve a very complex negotiation process.

iv. As the 145 Queen site cannot be cleared until the present courts are relocated, development of the property is closely related to the timing of the new courthouse at Armoury/Chestnut. The optimistic date for completion of the courthouse (1995) fits reasonably with the projected expiration of the current AG head office lease. However, delay of development until that date could serve to place the property at some competitive commercial disadvantage with respect to nearby office development coming on-stream. Steps may have to be taken to streamline the decision process and the design and construction machinery for the new courthouse, and to facilitate the development approval process for that property, in order to secure suitable development of 145 Queen.

C. Proposed Development Program

The MTPR Preliminary Development Program assumed that the new Metro Hall might be established at 145 Queen St. Accordingly, two possible development programs were set out:

A		B	
Metro Hall -	630,000 sq. ft.	Commercial office bldg. -	515,000 sq. ft.
A/G commercial office bldg. -	470,000 sq. ft.	AG/commercial office bldg. -	500,000 sq. ft.
Retail -	50,000 sq. ft.	Retail	50,000 sq. ft.
	1,150,000 sq. ft. (FSI=15+)		1,065,000 sq. ft. (FSI=14)

It was assumed in each case that the AG-related ABC's (150,000 sq. ft.) could be accommodated in the Old City Hall after renovation. If this would not be feasible, it was proposed to establish the ABC's at 145 Queen, with the commercial office space reduced by a corresponding amount (150,000 sq. ft.).

After the preliminary program was put forward, it became clear that the Metro Hall would not be built at 145 Queen. The proposed development program now involves three alternatives. The preferred program (A) calls for development at FSI=14, and assumes the ABC's will be located at the Old City Hall. The second alternative (B), also at FSI=14, accommodates the ABC's at 145 Queen. Finally, an alternative (C) is set out at the indicated density of FSI=12 which City officials are prepared to accept:

	A	B	C
Commercial office building	515,000 sq. ft.	435,000 sq. ft.	435,000 sq.ft.
Government office building (MAG & MLB)	500,000 sq. ft.	430,000 sq. ft.	430,000 sq. ft.
Retail	50,000 sq. ft.	50,000 sq. ft.	50,000 sq. ft.
ABC's	--	150,000 sq. ft.	--
	1,065,000 sq. ft. (FSI=14)	1,065,000 sq. ft. (FSI=14)	915,000 sq. ft. (FSI=12)

D. Value

The present value for the property, as zoned, is estimated at $67.2 million, which assumes the permitted commercial-residential mix at an overall density of FSI=12. This is considered to represent the current market value of the site. The estimated value of the property with commercial development at FSI=14 (Scheme A) is estimated at $95.4 million. With commercial development at FSI=12, the estimated value would be $81.9 million.

ARMOURY/CHESTNUT
(1.64 acres; 71,200 sq. ft.)

A. Situation

The Armoury/Chestnut property was acquired in 1985 as the site for the new Toronto Courts Complex, to replace the existing courts at 145 Queen West, Old City Hall and College Park. The site contains a small disused church building, and is used mainly as a parking lot. Around 1/3 of the property is held under a 100-year lease expiring in 2080, and the balance is freehold.

The site lies directly north of the 361 University Avenue Courthouse and Osgoode Hall and directly northwest of the Toronto City Hall. It is surrounded by high-rise buildings (22 to 26 storeys) on the other three sides: the Holiday Inn and Cityhome to the east; the newly-constructed Chestnut Park condominium apartments and hotel to the immediate north; and the former Bell Canada property, which is now being renovated for commercial occupancy, to the west.

Present zoning will allow commercial development totalling 320,000 sq. ft., or a commercial-residential mix totalling 555,000 sq. ft. (FSI=7.8). To achieve this density for a courthouse building, the municipal planning officials favour the transfer of unused "institutional" density rights from the 361 University Avenue property.

B. Issues

The property was acquired for court purposes and is not being considered for any other uses. The main issues involved are:

i. MAG pre-programming studies indicate a minimum need for 81 courtrooms and ancillary facilities, with a total floor area of 630,000 sq. ft. This will necessitate both an Official Plan amendment and rezoning to FSI=9. Current municipal staff views oppose rezoning beyond the present Official Plan allowance (FSI=7.8), which would force a reduction of perhaps 15 courtrooms. Current political views are agreeable to FSI=9, but would resist rezoning to any higher level (it is understood that views are held within MAG that an 800,000 sq. ft. building should be built, requiring rezoning to FSI=11+). It is possible that rezoning of Armoury/Chestnut will be seen as being related to the concurrent questions of the disposition of the Old City Hall and the rezoning of 145 Queen Street.

ii. Because of internal circulation needs (e.g. triple-access courtrooms), the 11-floor courthouse building will have a height of some 190 feet, equivalent to a 19-storey conventional office building. It will have to be a building of considerable bulk, and will involve an intensive

municipal design review process concerning its relationship to the City Hall and to the new condominium building to the north. The residents of this latter building are not likely to be sympathetic to a massive building being constructed on their south property line.

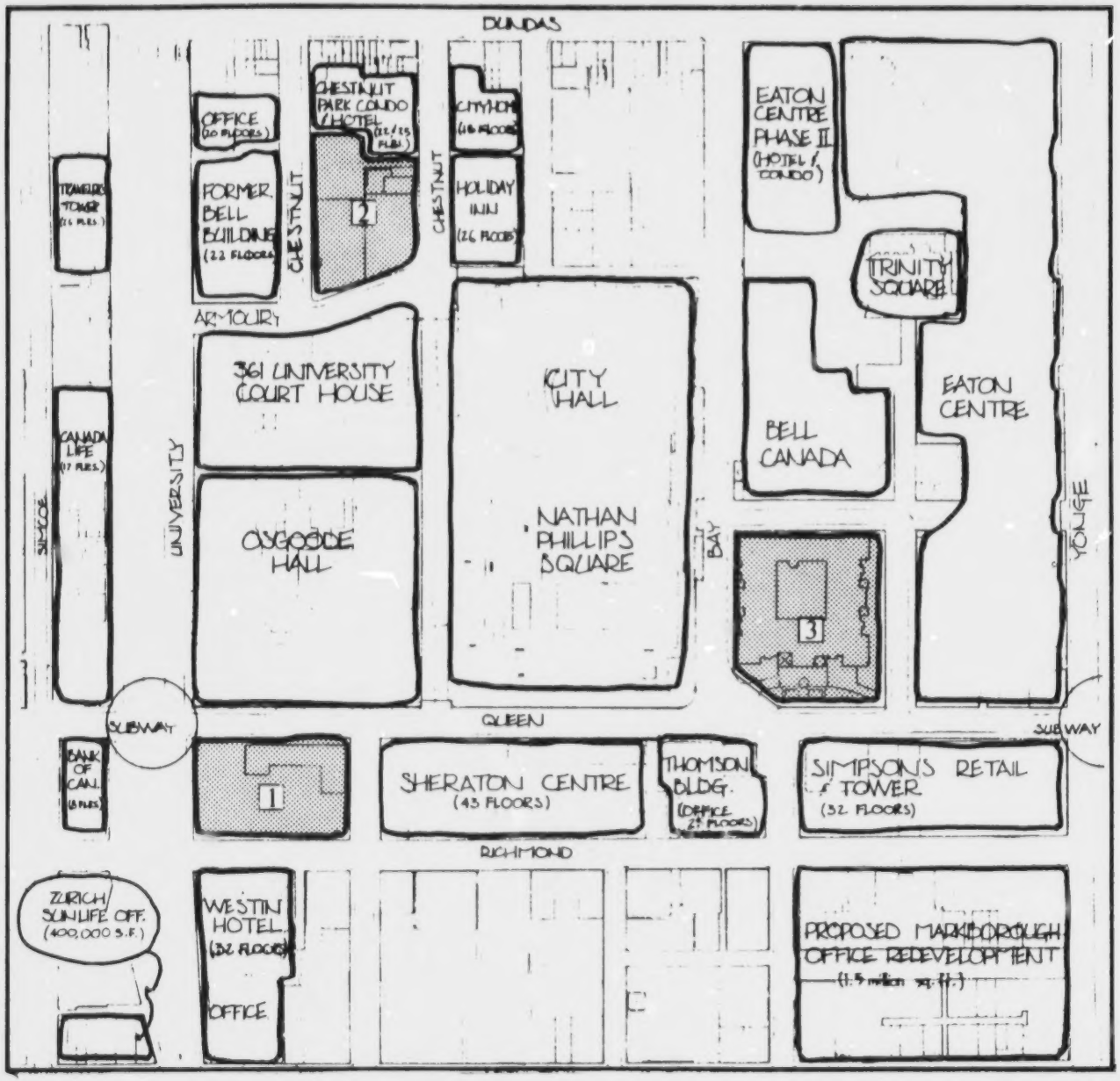
iii. Design and construction of the new courthouse will involve a complex and lengthy process. It is understood that under the most favourable circumstances the building is not likely to be in place until 1995 at best. Because redevelopment of 145 Queen and the ultimate disposition of the Old City Hall will hinge on the establishment of the new court building, steps may have to be taken to streamline the provincial decision process and the design and construction machinery, and to facilitate the municipal development approval process.

C. Proposed Development Program

There is no basis for considering any alternative development programs for this property. It should be developed as a courthouse building with a total floor area of 630,000 sq. ft.

D. Value

The present value of the property is estimated to be $27.4 million. This assumes development under the present zoning limit of FSI=7.8 for a mixed commercial-residential development.



SITE CONTEXT

1. 145 Queen West (1.75 acres)
2. Armoury/Chestnut (1.64 acres)
3. Old City Hall

EAST OF BAY
(6.38 acres; 277,900 sq. ft.
(ALSO: West of Bay properties: 1.63 acres; 71,200 sq. ft.)

A. Situation

The East of Bay properties are located in the 3-block area which runs south from Wellesley to Grenville, between Bay and Yonge. They lie directly east of the Macdonald Block complex and two other government properties -- 880 Bay and 832 Bay (Addison Cadillac) -- and are north of the new Metro Police Headquarters.

The present East of Bay holdings comprise the residual properties that remain from the government's original acquisition program in the late 1960's. The two major mid-block developments that were carried out since then (YMCA and Forensic Sciences/Coroner) took up about 2.7 acres of the initial assembly. This served to transform what had initially constituted an almost complete 3-block development area into a series of individual parcels along the periphery of the area; however, the northern block (Wellesley-Breadalbane) is still available almost in its entirety for development.

There have been numerous planning and design studies over the years. The original intention was to establish a high-density complex of government and commercial office buildings in the area, and subsequent studies have contemplated various combinations of commercial, residential, institutional and park uses. Over the past year consideration has also been given to accommodating the future Ballet Opera House in the northern block. Largely as a reaction to the government's original intentions for high-density office development, the area has been effectively down-zoned; mainly, it has been suggested, as a form of "holding" device preliminary to establishing a scheme satisfactory to the municipal authorities. The parcels that are left from the original assembly are now subject to a variety of zoning and official plan designations, with prescribed residential densities on the different parcels ranging from 60 to 190 units per acre, and commercial densities ranging from FSI=1. to FSI=4.5.

The zoning as now constituted would permit office development amounting to around 438,000 sq. ft. in total, and a maximum of 480 residential units. On a mixed-use basis, the combined density for these parcels is around FSI=2.8. Under the present Official Plan provisions, total density overall could approximate an FSI of around 4.3, but several of the individual parcels would have to be rezoned to bring this about.

These permitted densities are substantially below those that have been occurring in the general area in recent years. Characteristic residential densities in the Bay corridor, which were previously at the mid-town FSI "norm" of 7.8 (Polo Park, etc), have more recently been raised to a level of

FSI=10.5 in the block immediately north of Wellesley, and to FSI=8.8 in the block immediately south of Grenville. Directly south of College Street, at 770 Bay, a current development scheme is being processed at a residential density of FSI=12.6, and a combined residential/commercial density of FSI=13.

The provincial properties contain various low and medium density office and warehouse-type buildings, most of them physically obsolete, and substantial portions are used for surface parking. Two listed heritage buildings, at 897-901 Bay Street have institutional tenants. The properties at the east end of the northern block, with an irregular frontage along Yonge Street, are occupied by government users and commercial tenants. Apart from the two historic buildings, there are no known constraints on relocating the existing users from the various properties, though the Addison car lot, in the Grenville-Grosvenor block, is subject to a lease expiring in 1993.

The properties occupy a good mid-town location, with prominent exposure from Queen's Park, good vehicular access, and excellent transit service from the two nearby subway stations and three surface routes. The sites have a strong potential for various kinds of housing (condominium, cooperative and non-profit). However, the area is not considered a suitable location for general family housing, because of the lack of supporting neighbourhood facilities and the "adult" character of the Yonge Street strip and the flanking side-streets. (As noted below, this view may not be shared by the municipal planning officials.) The area also has a good potential for commercial office development at Bay and Wellesley. Except for the limited Yonge Street frontage, the sites do not have useful retail potential.

B. Issues

Development of the East of Bay properties involves a number of complex issues:

i. As was noted earlier, the consolidated "package" approach to the MTPR portfolio assumes that the East of Bay properties would serve as residential repository and donor sites for commercial bonusing and density transfers involving the two main downtown commercial sites, 145 Queen and 90 Harbour. This may still be possible to an extent, through the provision of social housing sites at East of Bay, but the prevailing planning climate at the City is not receptive to this general approach, and favours, instead, dealing with East of Bay in its own terms. The staff view at this time is that East of Bay should be developed mainly with medium-density family housing, rather than using the sites for market or social housing at characteristic mid-town densities. There is also likely to be strong resistance to the street and park arrangements outlined in the MTPR preliminary development program, which are intended to support the particular development mix envisaged in that program. The municipal political views have not yet been consolidated in a definitive way, but it is clear that pursuing a "package" approach to

East of Bay may not be advantageous to the government's interests. It is therefore a fair presumption that the properties should be dealt with as individual development sites, using the process employed by other owners in recent years in dealing with the City regarding other development sites in the Bay Street corridor.

ii. The uncertainty concerning the proposed Ballet-Opera site in the middle of the Wellesley-Breadalbane block complicates the feasibility of proceeding with East of Bay on a consolidated basis. The property values involved are very substantial. The entire government holdings in this block are estimated to have a potential market value of $55 million: $18 million for the mid-block B-O site (based on alternative residential use of the site); $30 million for the proposed commercial office site at the west end of the block; and around $7 million for the Yonge Street frontage, based on prevailing Yonge Street sales prices. Given the Ballet Opera Corporation's evident determination to secure either the Bay Street or Yonge Street frontages (or both), and given the City's inclination to treat development of this block as a major civic design issue, a case can be made to separate out the Wellesley-Breadalbane block from the remaining East of Bay properties. This would allow judicious examination of the range of potential development alternatives for the entire block, including, among other things, the feasibility of undertaking joint development of the Ballet-Opera and the proposed commercial office building.

iii. The MTPR preliminary development program, which was based on treating the entire portfolio as a package involving density transfers and bonuses, projected a total of around 900 residential units at East of Bay, of which more than 70% would be social housing. This might be considered to constitute an undue concentration of social housing development for this general area. It is also in question if this would provide a suitable balance between the government's social housing obligations and the opportunity to maximize the revenue potential from establishing market housing at this choice mid-town location.

iv. Prior to inception of the MTPR project, it had been assumed that one or more of the East of Bay sites should be used for government accommodation, to satisfy a potential need for 500,000 to 1 million square feet of new space at Queen's Park. The present exercise has concluded that any additional space which is required should be established west of Bay Street, rather than on the East of Bay properties. This will involve a number of contingencies concerning the eventual disposition of three specific properties: 880 Bay, Burton Hall (now owned by Women's College Hospital), and 832 Bay (leased to Addison Cadillac until 1993). It is likely that before any of the East of Bay

properties are actually disposed of, some definitive kind of determination will have to be made that the expansion of government accommodation at Queen's Park will take place on the west side of Bay Street, rather than to the east.

v. The two existing historic buildings at 897 and 901 Bay Street could, legally speaking, be demolished, but it is unlikely the government will be in a political position to contemplate such an action, despite the fact that they are "listed", rather than "designated" heritage structures. The government could continue to rent the premises to the present institutional users (Institute of Public Administration of Canada and Bay Centre for Birth Control) but it is important to secure the available density entitlements from these properties. This can be achieved either through the "package" proposal incorporated in the preliminary development program (which envisaged the two buildings as part of a proposed 1-acre public park along Bay Street), or alternatively as part of the adjacent development parcels on Bay and Breadalbane Streets.

vi. It has been concluded that appropriate development of the provincial properties can be secured without acquiring adjacent private holdings (Herman Furs at 863 Bay and the commercial parking lot at 10 Grenville). However, to develop the site of the provincial parking deck at 14 Grenville it will be necessary to combine this site with the adjacent Credit Union property at 18 Grenville. This can be achieved by establishing a cooperative housing development on the combined site; it is understood that this development would be sponsored by the Credit Union, and would provide an equivalent amount of Credit Union facilities to what is now available in the existing Credit Union building.

C. Proposed Development Program

The preliminary development program set an objective of 905 housing units, 500,000 sq. ft. of commercial office space, a 1-acre public park, and the 3-acre Ballet-Opera site. On review, it has been determined that a "package" program for East of Bay would provide the same components, but the number of residential units would be increased to 935, by using the proposed "convert-to-rent" building at 34 Grenville for singles housing, rather than conventional apartments.

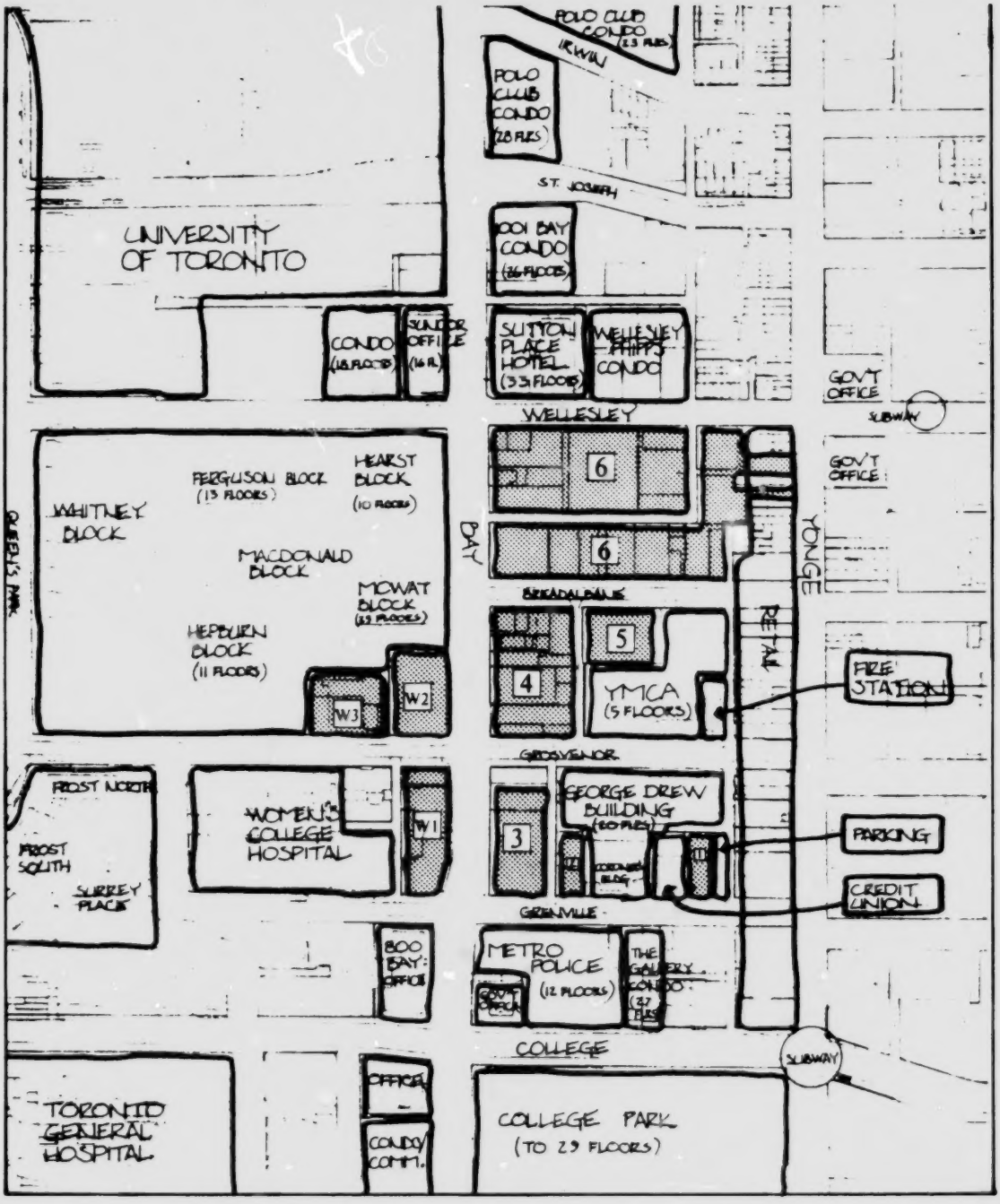
An alternative development program has been prepared, which proposes that the parcels be developed on an individual basis, based on a residential density of FSI=7.8 (the midtown norm). Some of the parcels are already zoned to this level, while others would require rezoning. In this "site-by-site" approach, the northern block would be used as in the "package" approach (500,000 sq. ft. office building and the Ballet Opera site, incorporating the proposed park).

In specific terms, the alternative programs would provide the following:

	A (Site-by-site approach)	B (Package approach)
Commercial office building	500,000 sq. ft.	500,000 sq. ft.
Ballet Opera site)	(size undetermined)	3 acres
Public park)		1.2 acres
Residential:		
Condominium	606 units	240 units
Cityhome	154 units	150 units
Co-op housing	157 units (CHF)	190 units (CHF) 260 units (generic)
Convert-to-rent	95 units	95 units
Total residential	1,012 units (406 assisted) (40%)	935 units (695 assisted) (74%)
FSI (including O-B site)	5.3	5.0
FSI (excluding O-B site)	10.0	9.4

D. Value

The present value of the East of Bay properties, as now zoned, is estimated at $35.7 million. The present market value presupposes substantial rezoning to the FSI=7.8 norm, and is estimated at $93.0 million. Under the proposed program, the estimated development value would be $82.4 million, with the Ballet-Opera site priced at an assumed condominium-seniors residential mix. The alternative package approach would generate an estimated value of $71.3 million. (It should be noted that these estimates assume a re-sale value for the Yonge Street frontage of around $6.8 million, based on prevailing sales prices.)



West of Bay

- W1 842 Bay (Addison) (0.48 acres)
- W2 880 Bay (0.52 acres)
- W3 Burton Hall (Women's College Hospital) (0.51 acres)

East of Bay

- 1 14 Grenville (0.42 acres)
- 2 32 Grenville (0.21 acres)
- 3 Addison Parking (0.67 acres)
- 4 1.11 acres
- 5 0.42 acres
- 6 3.27 acres

2195 YONGE
(1.92 acres; 83,700 sq. ft.)

A. Situation

The 2195 Yonge property is on the east side of Yonge Street, a half-block south of Eglinton. It is across the street from the high-density Canada Square retail and office complex and is close to the similar Eglinton Square development at the northwest corner of Yonge and Eglinton. The properties to the east of the site are developed with a variety of old and new medium-density office and apartment buildings. There is a strong market potential for both office commercial and residential development on the property, as well as ground floor retail.

The southern section of the site is occupied by a 10-storey office building containing OHIP and COMSOC district, regional and area offices. The northern section is used for parking, and also provides a small local parkette. The property is well located within the major regional sub-centre; it has good exposure from Yonge Street, and benefits from excellent transit service.

The present zoning allows commercial development totalling 335,000 sq. ft. (around twice the volume of the existing building), at FSI=4; or with mixed commercial-residential development totalling 419,000 sq. ft. (FSI=5). Bonusing is potentially available for social housing, but it is likely that only senior citizens housing would find acceptance in the local community, which is very strongly organized and may well be able to exercise an effective veto over any other form of assisted housing (or, for that matter, any kind of rezoning above the present limits). Prevailing municipal opinion, at both the technical and political levels, is receptive to commercial development and senior citizens housing at the presently permitted densities.

B. Issues

Development of the property does not present complicated issues. The issues of significance are the following:

i. As noted earlier, most of the regional and district services now operating out of 2195 Yonge can be provided as effectively at other transit-centred locations (such as 5000 Yonge). There is a strong presumption that the property should be developed with high-intensity commercial uses appropriate to this major sub-regional centre, allowing a minimum complement of necessary government district or area services.

ii. While the property could be used to maximize the amount of senior citizens housing to be accommodated, this would be at the expense of providing the substantial amount of commercial office development which the site location can command and for which there is likely to be an

active market. It would probably be more appropriate, on balance, to provide a minimum-size senior citizens building, and to maximize the amount of office development on the site, within the present zoning entitlement. The site also has a potential for a modest amount of local retail service.

iii. While the existing office building is serviceable, it has potential retrofit problems, and its retention would seriously impede effective development of the property for mixed residential and office use. It is a fair conclusion that the present building should be demolished in the course of redeveloping the property.

C. Proposed Development Program

The Preliminary Development Program envisaged a 250,000 sq. ft. commercial office building (with provision for around 35,000 sq. ft. of government uses), and a 250-unit condominium building on the property. This would have required rezoning, and would not, in any case, have secured what is considered to be the optimum commercial use of the property.

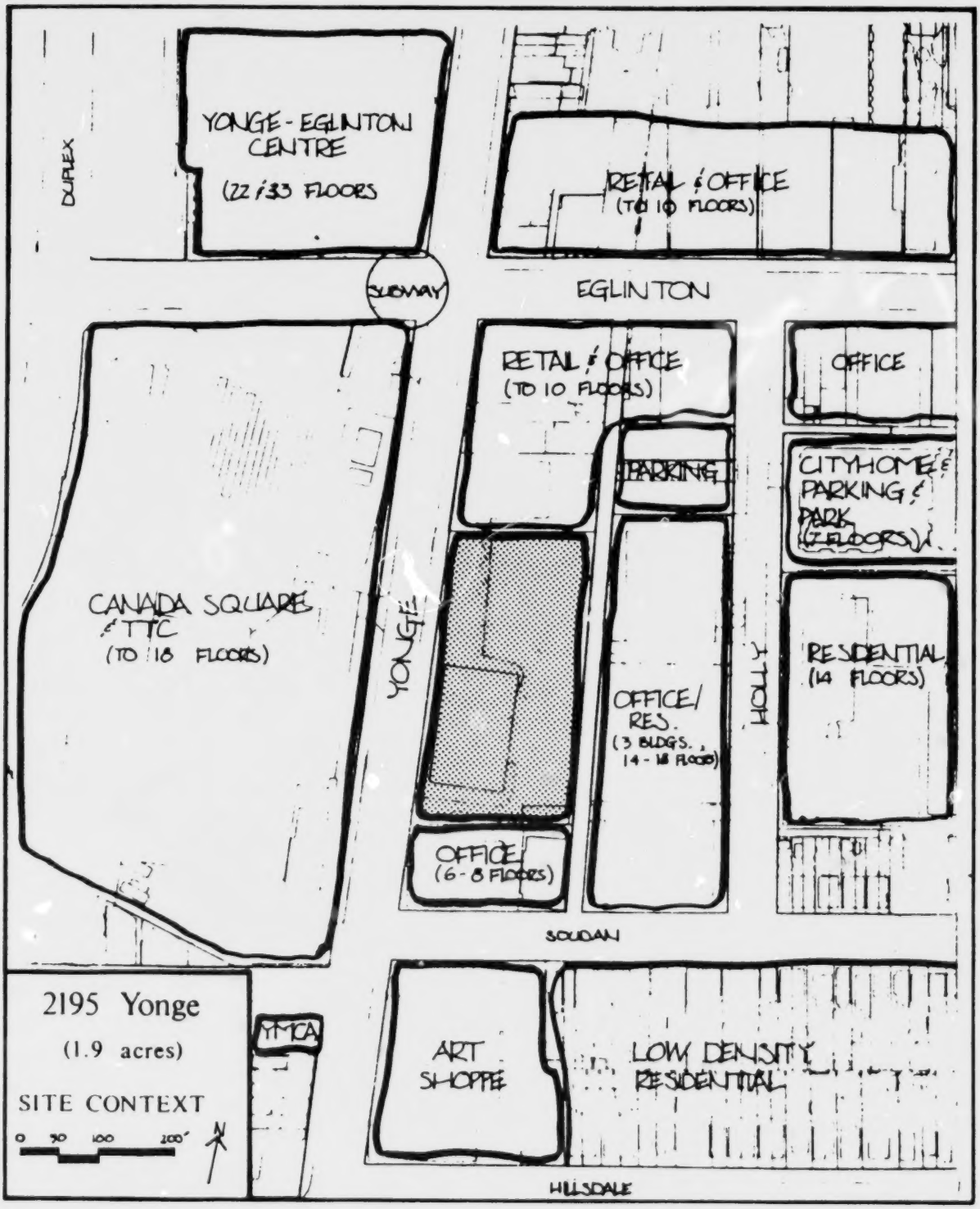
The proposed development program assumes that, given the local circumstances, rezoning should not be undertaken. It contemplates the provision of the maximum amount of commercial development permitted under the present zoning, and the remaining mixed-use density for senior citizens housing, as follows:

	Proposed	Alternative
Commercial office building	320,000 sq. ft. (incl. 35,000 sq. ft. gov't. space)	320,000 sq. ft. (incl. 35,000 sq. ft. gov't. space)
Retail	20,000 sq. ft.	20,000 sq. ft.
Senior citizens housing	84,000 sq. ft. (125 units)	168,000 sq. ft. (250 units)
	424,000 sq. ft. (FSI=5)	508,000 sq. ft. FSI=6

An alternative program, with more seniors housing, is also set out, if it should prove feasible to undertake rezoning.

D. Value

The present value of the site, based on the existing zoning, is estimated at $17.6 million. The estimated value of the property under the proposed development program, with seniors housing, is slightly higher at $17.7 million.


YONGE-EGLINTON CENTRE
(22 & 33 FLOORS
DUPLEX
SUBWAY
RETAIL & OFFICE
(TO 10 FLOORS)
EGLINTON
RETAIL & OFFICE
(TO 10 FLOORS)
OFFICE
PARKING
CITYHOME PARKING & PARK
(7 FLOORS)
CANADA SQUARE & TTC
(TO 18 FLOORS)
YONGE
OFFICE/ RES.
(3 BLDG'S., 14 - 18 FLOORS)
HOLLY
RESIDENTIAL
(14 FLOORS)
OFFICE
(6-8 FLOORS)
SOUDAN
2195 Yonge
(1.9 acres)
SITE CONTEXT
0 50 100 200'
N
YMCA
ART SHOPPE
LOW DENSITY RESIDENTIAL
HILLSDALE

ELLESMERE/McCOWAN
(9.0 acres; 392,000 sq. ft.)

A. Situation

The government's Scarborough property is a large vacant parcel which lies directly to the east of the Scarborough City Centre. It is separated from the Scarborough LRT Station by a narrow strip of municipally-owned property, and is part of the development corridor east of the City Centre which is undergoing heavy commercial and residential development (Consilium, etc.). The area south of the property is an older low-density residential neighbourhood, with single-family houses flanking Ellesmere, directly across the street from the government property. The area to the east is generally low-density industrial, though the immediate neighbouring property to the east is occupied by a special school. Part of the site is now used for contract parking.

The property was originally acquired for the construction of a courthouse, as part of the government's suburban court decentralization program. From a market standpoint it is a highly desirable site for various kinds of residential development, and there is also a receptive market for office development.

The City Centre Official Plan permits the site to be developed with commercial uses totalling 784,000 sq. ft. (FSI=2), plus a total of 225 residential units. Municipal proposals are now being considered to establish height limits on the property (6 to 7 storeys), relating to existing building heights in the City Centre and to the treed areas west of McCowan. Additional design controls are also being considered.

B. Issues

The main issues concerning development of the Scarborough property are the following:

i. The property is large enough to accommodate a variety of commercial and residential uses, but to secure its most effective development it should be dealt with jointly with the adjoining strip of municipal property to the north, to provide a suitable pedestrian connection to the transit station. It may be necessary to establish some kind of joint development mechanism for the two properties.

ii. The need to protect the amenities of the residential neighbourhood to the south, and particularly the houses directly across the street, could seriously constrain building design on the government property. The question of traffic impact and similar considerations are likely to complicate the rezoning and development approval process for the site.

iii. The property is presumably available for early development. While the market for residential use on the site can be expected to remain strong, there is likely to be strong early competition for commercial and condominium development from available and prospective sites in the area. To secure effective development of the property it will probably be necessary to take early action to resolve the outstanding issues and establish firm development plans for the site.

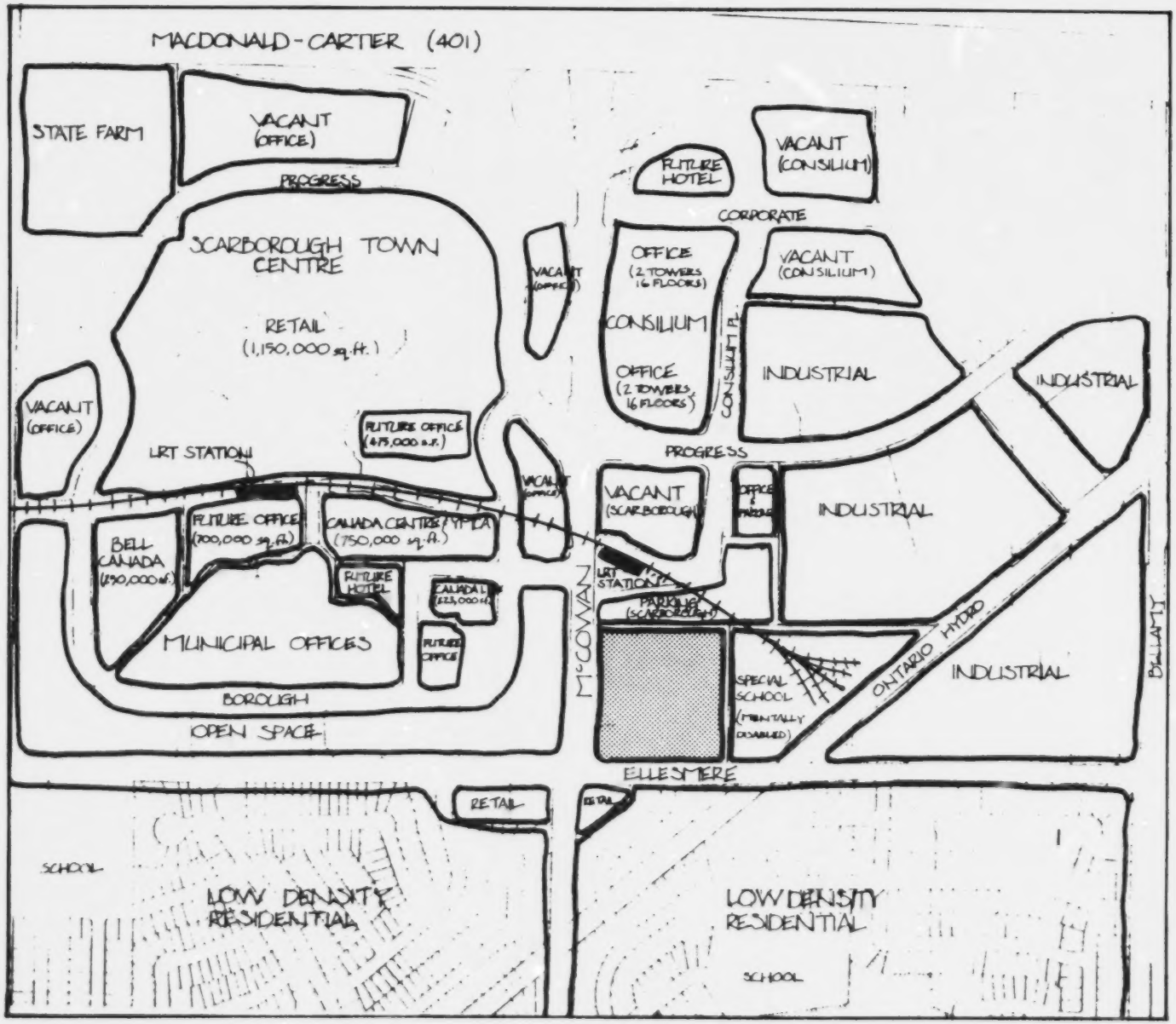
C. Proposed Development Program

The Preliminary Development Program contemplated development of the property with a mixture of commercial and government office buildings within the present Official Plan allowance, and a variety of residential buildings, requiring amendment of the Official Plan. While strong design constraints may be emerging for the property, there is no indication as yet that this general program should be modified:

Commercial office building	-	535,000 sq. ft.
Government office building (incl. courtrooms)	-	250,000 sq. ft.
Total office		785,000 sq. ft.
Residential:		
Seniors	-	200 units
Market Rental	-	170 units
Condominium	-	170 units
Total residential	-	540 units

D. Value

The present value of the property, based on the existing Official Plan policies, is estimated at $17 million. The estimated value of the property under the proposed development program is $20.6 million.



Ellesmere/McCowan

(9 acres)

· SITE CONTEXT

0 100 300 600'

N

5000 YONGE STREET
(Provincial site: 7.36 acres)
(Municipal site: 2.5 acres)

A. Situation

The Yonge property is in the middle of the North York downtown development area, on the west side of Yonge Street, directly south of the municipal building complex and Mel Lastman Square. It is adjacent to new high-density commercial and residential buildings to the south and is across the street from prospective development of a similar character.

The property is now occupied by a small 3-storey MTC office building and public and private parking lots. The provincial holding and the municipal theatre site at the northwestern corner of the property were initially intended to be developed by means of a joint development proposal call, and were the subject of joint planning and development studies. These arrangements have been abandoned by the government, which is now engaged in discussions with the municipality concerning the disposition of the two properties. (The situation as of July 1987 is reviewed in MTPR Report Two.)

The present Official Plan allows commercial and residential development to a maximum density of FSI=4.5, or around 1,440,000 sq. ft. in total. A proposed Official Plan amendment, which is to be the subject of an OMB hearing, would raise the allowable density by way of a bonus for retail space. Among other things, it will also raise the allowable building height along the Yonge frontage from 23 to 29 floors.

B. Issues

The issues concerning 5000 Yonge were canvassed in MTPR Report Two. As the matter has progressed since then, the main issues can now be summarized as follows:

i. The municipality has proposed that its theatre site be shifted from the present location at the western end of the property, along Beecroft, to a location on Yonge Street. This will involve a reduction in the size of the PAC site from 2.5 to 1.9 acres. MGS is now assessing the impact this would have on the ability to develop the remaining property effectively for office, residential and retail use. Consideration is also being given to the financial implications of the proposed property transfer.

ii. In the earlier MTPR review it was concluded that a proposed diversion of North York Boulevard through the site, which is provided for in the proposed Official Plan amendment, should be rejected. Development will also be facilitated by allowing secondary access to the property from Yonge Street, which is prohibited in the Official Plan amendment. Both of these matters are being reviewed in the current discussions concerning the PAC.

iii. It was concluded that the property does not provide a suitable location for the provision of assisted family housing, but should include a seniors housing component in its ultimate development.

iv. The property would provide a suitable site for relocating the Ontario Hydro offices as required for the Princess Margaret Hospital on University Avenue. If the required 500,000 sq. ft. building is established here, this would serve to utilize the entire office capacity of the property for government purposes, assuming the present intention to establish a government office building at 5000 Yonge is maintained. A decision will have to be made whether the Hydro building should be provided for at this site, or at the 90 Harbour Street location (which requires a somewhat problematic rezoning).

C. Proposed Development Program

Because of the state of the matter at the time, the 5000 Yonge property was not included in the MTPR Preliminary Development Program, except to note the possibility that a 400,000 sq. ft. government office building might be provided on the site. The following alternative development programs were proposed prior to consideration of the new municipal proposal to relocate the theatre block:

	A (Existing O.P.)	B (Amended O.P.)	C (Residual Provincial property)*
Government office building	550,000 sq. ft.	575,000 sq. ft.	540,000 sq. ft.
Commercial office building	550,000 sq. ft.	585,000 sq. ft.	585,000 sq. ft.
Retail space	125,000 sq. ft.	125,000 sq. ft.	125,000 sq. ft.
Total office and retail	1,225,000 sq. ft.	1,285,000 sq. ft.	1,250,000 sq. ft.
Residential	652 units	725 units	250 units
(Condominium)	(400)	(400)	
(Seniors)	(252)	(325)	

*If developed independently of PAC site in present location.

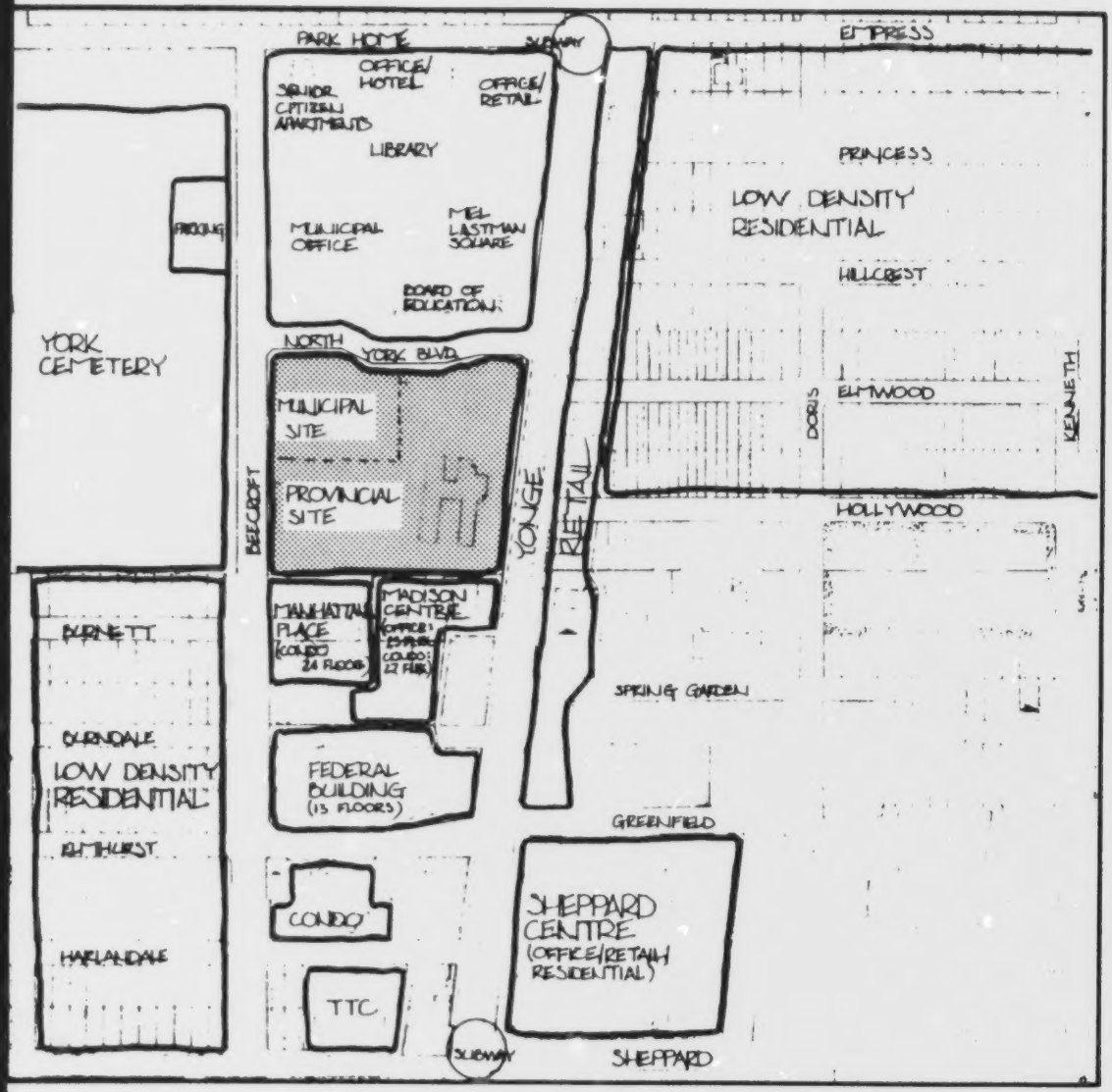
Relocation of the PAC site may serve to modify the development program. In any event, the program for 5000 Yonge will depend on the ultimate disposition of the proposed Official Plan amendment, and on whether it is decided to proceed with development of the residual provincial site independently of the PAC site.

D. Value

The value estimates for the provincial part of the site are based on the proposed development programs outlined in Report 2 (with the original PAC location), as follows:

A - Existing Official Plan:	$56.3 million
B - Amended Official Plan:	$57.9 million
C - Residual site:	$67.1 million

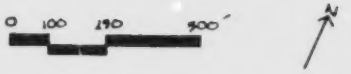
(A) and (B) assume a pro-rated allocation of total value between the provincial and municipal sites. However, if treated independently (C), there could be an obligation to assign to the PAC site the value of its foregone development rights.



5000 Yonge

(Provincial Site: 7.4 acres)

SITE CONTEXT



FALSTAFF/KEELE
(24.1 acres)

A. Situation

The Falstaff site is a very large property that runs for a distance of around 2,000 feet along the south side of Highway 401, west of Keele. It is adjacent to an established low-density residential neighbourhood to the immediate south and west and is separated from the MTC Headquarters complex by Highway 401, and from intense commercial uses on the east side of Keele by the heavily travelled arterial roadway and highway interchange. The property has excellent exposure from Highway 401, and has good, but constrained, road access. It is subject to extremely high noise impact from the highway.

The property is largely vacant at the present time. It was formerly used as the Metro Toronto Driver Training Centre, but is now occupied only by a small MTC driver service office building and by an OPP detachment. It is understood that both of these users can be relocated without difficulty.

Present zoning on the property permits only institutional uses. The municipality is undertaking, with provincial cooperation, a land use and traffic study of the Keele Street corridor, which is expected to produce conclusive recommendations regarding acceptable uses for the government property.

B. Issues

Development of the property involves the following issues:

i. Despite its prominent size and highway location, the potential for establishing light industrial or commercial uses on the property is seriously constrained by the heavily-congested access arrangements at the Keele Street end of the property, and by the probability that secondary access for commercial or industrial traffic cannot be provided through the present neighbourhood street system to the west and south. This predisposes strongly against commercial or industrial development.

ii. The property's residential potential may be seriously affected by the severe highway noise impact, though this is presumably amenable to the same kind of attenuation measures that have been established directly to the west and in other similar locations along Highway 401.

iii While the site is a suitable location for various kinds of multiple housing, this is likely to be unacceptable to the local community and thus unlikely to receive municipal approval. Present indications are that the property could be developed most effectively with low-density

residential lots similar to those already prevailing in the area. The possibility of also establishing a senior citizens complex at the narrow eastern end of the property, along the lines of the existing Villa Colombo development, needs to be explored.

C. Proposed Development Program

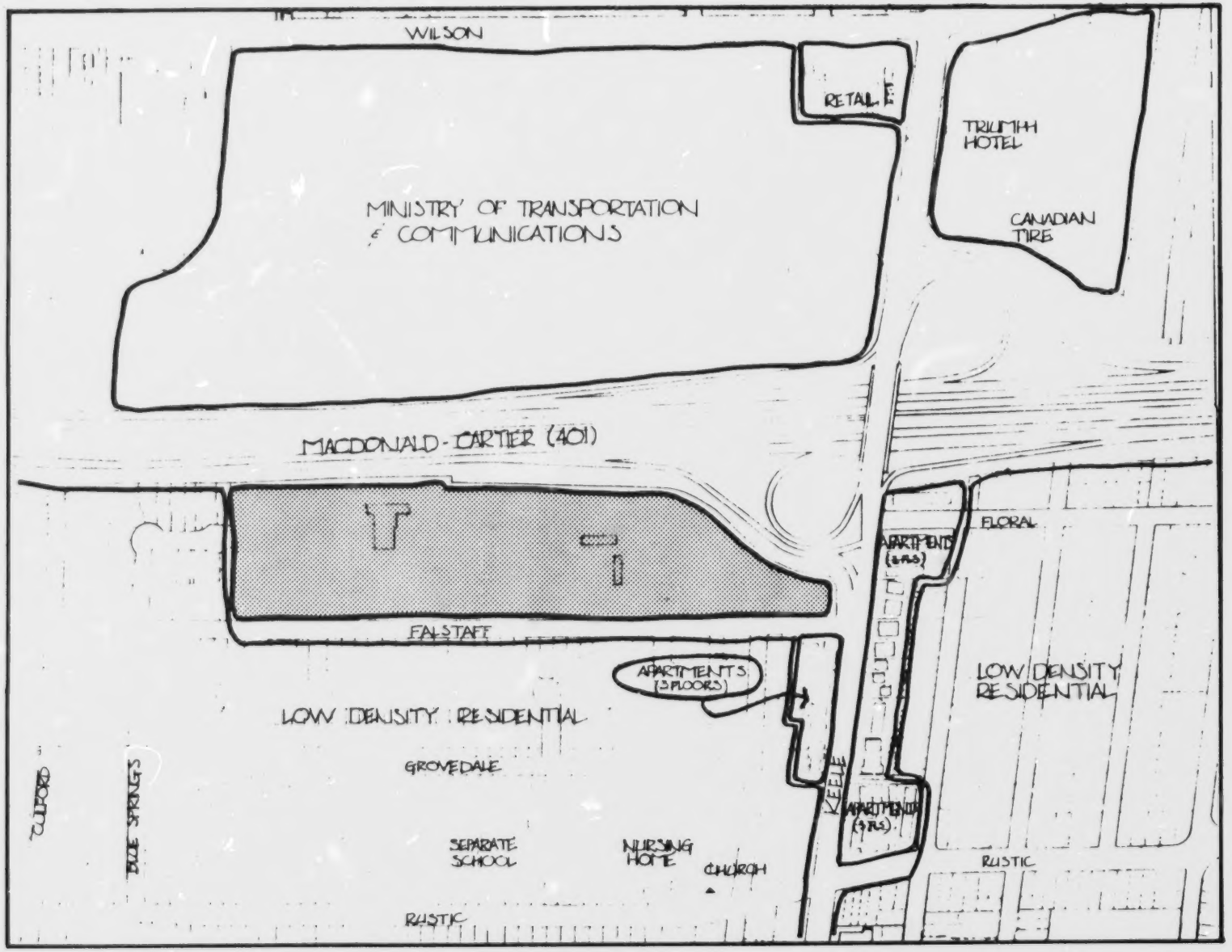
The Preliminary Development Program envisaged development of the property by way of a residential subdivision, with a possible capacity of 125 lots. On the assumption that it will be feasible to establish some form of senior citizens accommodation on the site as well, the following development program is now being proposed:

Single-family houses	-	110 units
Senior citizens housing	-	200 units
Public park	-	2 acres

This proposed program may have to be modified as a result of the current municipal planning exercise and further detailed development studies of the property by MGS.

D. Value

Under the present institutional zoning, the property is estimated to have a notional value of $3.5 million. With the proposed development program the value of the site is estimated at $11 million. The estimated market value for single-family housing is $9.8 million.



Falstaff/Keele

(24.1 acres)

SITE CONTEXT

0 150 300 600'

N

BURNHAMTHORPE/EAST MALL (427)
(9.6 acres; 417,300 sq. ft.)

A. Situation

The Burnhamthorpe property is a large vacant parcel in the southeast quadrant of the Highway 427/Burnhamthorpe interchange. It is adjacent to a large multiple-housing condominium development to the south, and is across the street (East Mall) from a group of very new condominium townhouses. Nearby uses include medium-rise office buildings on the north side of Burnhamthorpe, both east and west of the highway. The property has excellent exposure and good access from the highway. It has a strong market potential for mid-priced condominiums or quality rental apartments, and a good potential for office development, though perhaps not immediately.

The property was originally acquired for the construction of a courthouse, as part of the suburban court decentralization program. There are no commitments for government use of the property, and no indicated government uses which should be accommodated. However, local political sentiment may, to an extent, still assume a government commitment to court facilities on the site.

Present zoning allows low-density retail and office development at a density of FSI=0.8, amounting to 334,000 sq. ft. in total. An earlier MGS application to rezone the property to a density of FSI=3 for office purposes is in abeyance. A required traffic study was carried out, which indicated that development at this density would require substantial traffic improvements, and that development at a lower density (FSI=2) was probably more acceptable to Metro and Etobicoke traffic officials. If the adjoining 0.6 acre strip of surplus MTC property were added to the site, this would help to support an increased density on the Burnhamthorpe property.

B. Issues

Consideration of the Burnhamthorpe site involves the following issues:

i. The present density limit (FSI=0.8) is appropriate for retail use or low-density office development, but is not satisfactory for office development at an economic level. At the same time, it is doubtful if there is a sufficient market to develop the entire site with office uses at an economic density level. Given the general location and its surroundings, it is appropriate to envisage the northern section of the property being used for office development, and the southern part used for residential purposes. It is possible that this distribution of uses could serve to mitigate the potential traffic access problem which exclusive office development would entail.

ii. Unlike the Scarborough and 5000 Yonge sites, Burnhamthorpe is not a suitable location for the "fair share" government employment decentralization policy. The appropriate place for government office accommodation in West Metro, if it is determined such facilities should be provided, would be in the vicinity of the proposed municipal centre and "downtown" that the municipality is trying to establish at Six Points. At best, it may be appropriate to make provision for courtroom space in any future office development on the Burnhamthorpe site, but nothing beyond this is envisaged.

iii. Because of the lack of supporting community services and inadequate transit service, this is not considered a good location for social housing, even for seniors. There would likely be strong local resistance to establishing any kind of assisted housing here, and strong political sentiment as well against such use. The very recent arrival of new home owners directly across the street may also make it difficult to secure rezoning for any kind of intensive development.

iv. Development of the Burnhamthorpe site may be related, in the end, to the ultimate disposition of the Lakeshore Hospital property, which has a high profile in the municipal political agenda. While it may be difficult to ascertain the precise nature of the potential "bargaining" relationship between the two properties, it is possible that no firm decision regarding Burnhamthorpe can realistically be taken while the Lakeshore matter remains unresolved.

C. Proposed Development Program

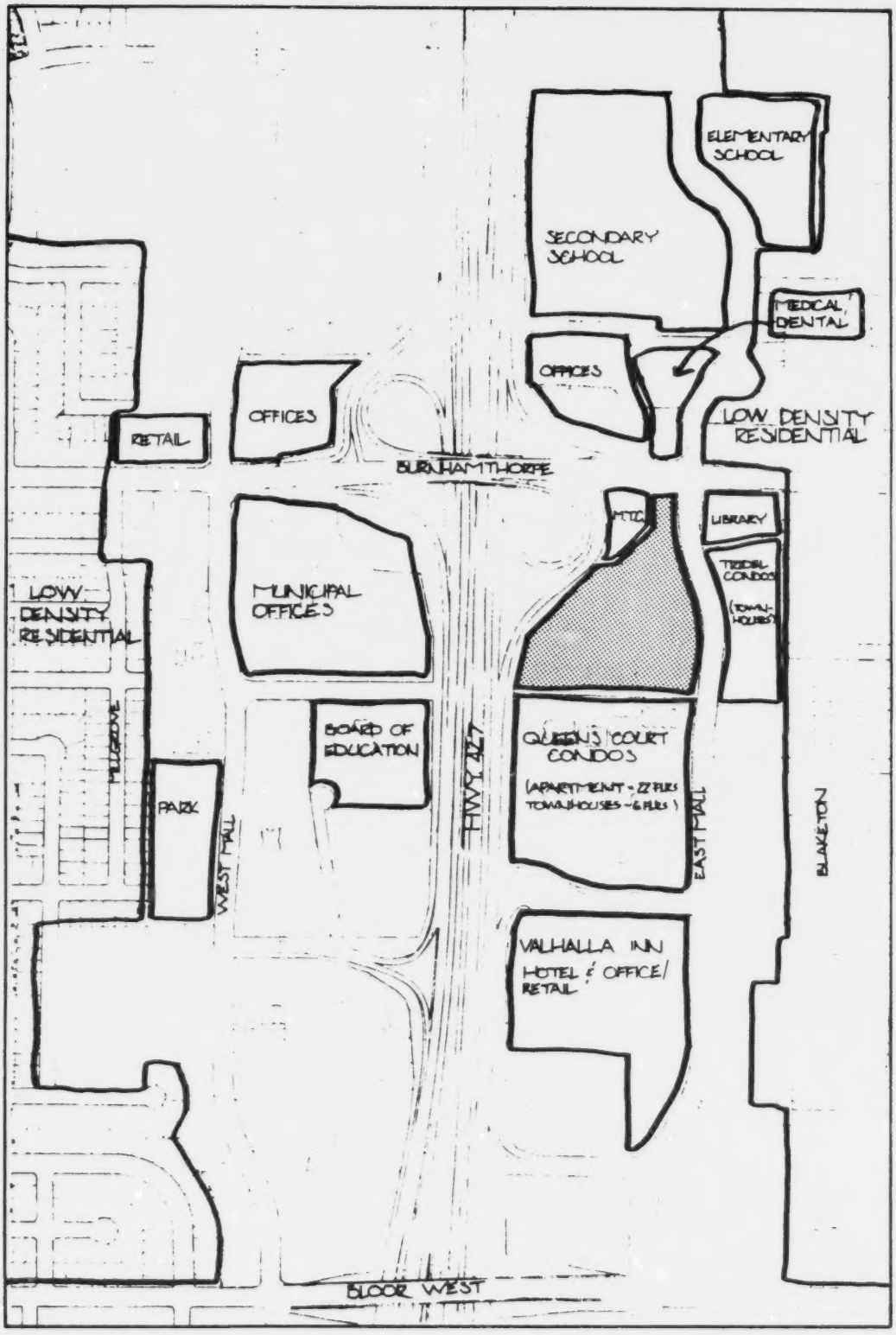
The Preliminary Development Program envisaged the division of the site into two parts with office development in the north and condominium housing in the south. There is no indication at this time that this program should be changed except to add a modest quantity of retail space. This program might be modified when detailed planning and design is undertaken. The proposed development program is as follows:

Commercial office buildings:	650,000 sq. ft.
Retail space:	15,000 sq. ft.
Condominium apartments:	270 units
	(FSI=2.25)

As noted, to carry out the projected program it will be necessary to secure a substantial amendment to the present zoning provisions for the property.

D. Value

Under the present zoning the value of the property is estimated at $5 million. The estimated market value is $10.7 million, and the estimated value with the proposed development program is $15.6 million.



BURNHAMTHORPE/EAST MALL

(9.6 acres)

SITE CONTEXT

LAKESHORE PSYCHIATRIC HOSPITAL
Total Site: 63.5 acres
(MTRCA site: approx. 32 acres; residual site: approx. 32 acres)

A. Situation

The former hospital site, at the foot of Kipling Avenue in southern Etobicoke, is now the subject of discussions between the government and the municipality. It has been determined that half of the property (the eastern and southern open space areas) will be transferred to the Conservation Authority for park use in conjunction with the landfill park development to the south, and that the remaining areas will be devoted to a continuation of the present health services and other institutional facilities, and an undetermined amount of housing. It has also been established that most of the existing buildings on the property, in particular the "cottage quadrangle" in the centre of the residual site, will be retained as heritage structures.

The property is now zoned for open space and institutional uses, which include, for this purpose, the film production activities now occupying a portion of the central quadrangle. The property has a strong potential for residential development, including both market rental and social housing, and condominium development. There is also a good potential for establishing local retail services on the Lake Shore Blvd. frontage.

The ultimate disposition of this property is likely to depend on political considerations and circumstances that cannot be pinned down at this time.

B. Issues

i. The overriding issue surrounding the property is probably the local political determination to be actively involved in establishing its future use and, in effect, to veto any development program that does not respond completely to local political imperatives. Community sentiments are evidently mixed, with strong opinions both opposing and favouring development. Despite a clear base of opposition to establishing social housing on the property, there is also support for such housing from within the community. The conflicting local and political interests that are at play indicate there will be serious obstacles to arriving at a timely development program that meets the government's program and revenue needs.

ii. Despite various physical constraints arising from the site geography (e.g. isolation of the western strip, the quadrangle layout, etc.), the property has a good physical potential for accommodating a sizeable residential community with varied housing and occupancy characteristics. There are also useful physical opportunities for joint development with the adjacent Lakeshore Teachers College and Humber College lands. As well, the property presents a significant opportunity for satisfying the government's housing program objectives. These various opportunities have to be reconciled with prevailing local views that any new development should be restricted to the quadrangle area and the western strip.

iii. While the present film activities contribute to the local economic base, it would be difficult to reconcile continued film production with residential development of the quadrangle. In any event, it is likely that major film production will be shifted to another west end location.

iv. The proposition has been put forth that the government's social housing objectives might be secured at other locations in the municipality, in exchange for a restricted development program at the Lakeshore site. This possibility will presumably be explored; it can be noted, however, that given the prevailing development pattern in the municipality and other local circumstances, there are not likely to be sites available for this purpose that would approximate the Lakeshore Hospital's realistic capacity for social housing development within a balanced community setting.

C. Proposed Development Program

The preliminary MTPR development program assumed it would be possible to establish a substantial housing community on the property, together with retail development on the Lake Shore Blvd. frontage. As noted, it is not certain that this kind of program will be feasible in the light of the prevailing political situation. An alternative development program is accordingly set out, amounting to half of the initial housing projection:

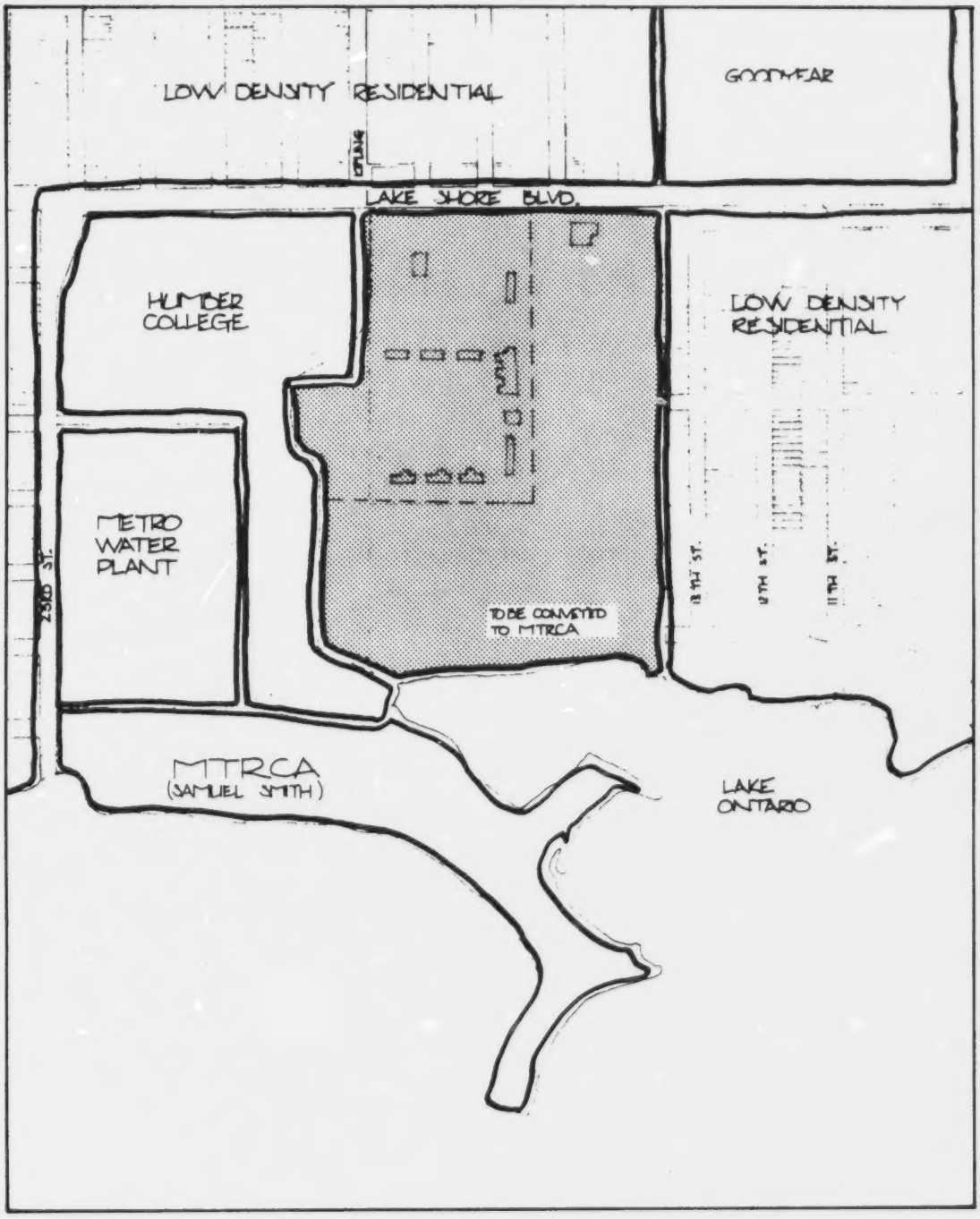
	Preliminary and Proposed Program	Alternative Program
Retail commercial	50,000 sq. ft.	50,000 sq. ft.
Residential:		
Market rental and condominium	1,000 units	500 units
Seniors housing	200 units	100 units
	1,200 units	600 units

D. Value

As institutional land, with an uncertain likelihood of development, the Lakeshore Hospital can be valued in various ways. If used strictly for institutional purposes, with a notional institutional value, the present value of the residual site (after transfer to MTRCA) is estimated at $4.8 million. (The total 63.5-acre site, on a similar basis, would have an estimated value of around $9.6 million.)

Viewed as a potential development site, the value is related to the extent of development that can reasonably be contemplated. With the preliminary MTPR development program that was previously put forward, the estimated value of the residual site would be $23.2 million (plus a notional value of $4.8 million for the MTRCA land, or $28 million in total). This is considered to represent the market value of the property. A more restricted development program, as outlined above, would generate an estimated site value of $12.5 million for the residual site (or $17.3 million all told).

It may be noted that the site has been subject to independent valuation by the Conservation Authority and MGS. MTRCA's initial valuation, $16 million, has since been adjusted to $18 million, and the Ministry's valuation is set at $22 million, for the site as a whole.



LAKESHORE PSYCHIATRIC HOSPITAL

(MTRCA SITE : Approx. 32 acres ; RESIDUAL SITE : Approx. 32 acres)

SITE CONTEXT

IV. DEVELOPMENT PROGRAM

PROPOSED PROGRAM

The proposed development program for the property portfolio is itemized in the table on the next page. This also shows, for comparison, the corresponding development objectives established earlier in the study. The individual proposals derive from a "site-by-site" approach. While there would be certain advantages, as discussed, in treating the portfolio as a consolidated development "package", the indications are that such an approach is not really feasible; that in the end there are too many diverse factors affecting each of the sites to allow the municipal authorities to deal with them as a collective entity. It is also the case, as discussed, that there are built-in limitations in the government's own decision and implementation machinery which predispose toward treating each property individually and which would make it difficult to deal with the overall portfolio as a true package.

While each property is dealt with basically in its own terms, the overall program is intended to strike a suitable balance among the different program objectives -- accommodation, revenue, and public benefit. In total, the proposed development program would be expected to produce the following results:

SUMMARY OF DEVELOPMENT PROGRAM

	Preliminary Program (sq. ft.)	Proposed Program (sq. ft.)
Government Office (incl. ABC's)	1,585,000 to 1,885,000	2,010,000 to 2,310,000
Commercial Office	2,880,000	4,055,000
Industrial or Quasi-Commercial	---	1,900,000
Retail	100,000	310,000
Institutional	Courthouse (size undetermined) Ballet Opera site Metro Hall (630,000)	Courthouse (630,000) Ballet Opera site ---
Housing:		
Condominium	1,930 units	2,660 units
Single-family	125 units	110 units
Rental	485 units	170 units
Social housing	905 units	1,560 units
	3,445 units	4,500 units

DEVELOPMENT PROGRAMS

Property	Preliminary Program	Proposed Program	Alternative Program	Effect Of Alternatives
90 Harbour St. (2.5 acres)	Commercial Office: 760,000 sq. ft.	Commercial Office: 485,000 sq. ft. Condo Housing: 215 units Retail: 50,000 sq. ft.	Commercial Office: 700,000 sq. ft. Retail: 50,000 sq. ft.	Commercial Office: + 215,000 sq. ft. Condo Housing: - 215 units
East Bayfront (LCBO) (11.4 acres)	(No program)	TORSTAR: Plant - 900,000 sq. ft. Office - 500,000 sq. ft. Computer Centre: 1,000,000 sq. ft.	LCBO Public Parking Computer Centre or short-term industrial/commercial	Retention of some or all existing buildings
East Bayfront (OPP) (4.1 acres)	(No program)			
70 Lombard St. (0.54 acres)	Co-op Housing: 160 units	Co-op Housing: 102 units	Co-op housing: 126 units	Social Housing: + 24 units
145 Queen West (1.75 acres)	Commercial Office: 220,000 sq. ft. Government Office: 250,000 sq. ft. Metro Hall: 630,000 sq. ft. Retail: 50,000 sq. ft.	Commercial Office: 515,000 sq. ft. Government Office: 500,000 sq. ft. Retail: 50,000 sq. ft.	Commercial Office: 435,000 sq. ft Government Office: 430,000 sq. ft. Retail: 50,000 sq. ft. ABC's: 150,000 sq. ft.	Commercial Office: - 80,000 sq. ft. Government Office: - 70,000 sq. ft. ABC's: + 150,000 sq. ft.
Armoury/Chestnut (1.63 acres)	Courthouse	Courthouse: 630,000 sq. ft.		
Old City Hall	ABC's: 150,000 sq. ft.	ABC's: 150,000 sq. ft.		No ABC's
East of Bay (6.4 acres)	Commercial Office: 500,000 sq. ft. Condo Housing: 240 units Rental Housing: 315 units Co-op Housing: 200 units Municipal Non-profit Housing: 145 units Ballet-Opera: 3 acres Public Park: 1.1 acres	Commercial Office: 500,000 sq. ft. Condo Housing: 606 units Conv. to Rent Housing: 95 units Co-op Housing: 157 units Municipal Non-Profit Housing:154 units Ballet-Opera) Indefinite Public Park) Size	Commercial Office: 500,000 sq. ft. Condo Housing: 240 units Conv. to Rent Housing: 95 units Co-op Housing: 450 units Municipal Non-Profit Housing:150 units Ballet-Opera: 3 acres Public Park: 1.2 acres	Condo Housing: - 366 units Social Housing: + 299 units
West of Bay (1.6 acres)	Government Office: 500,000 - 800,000 sq. ft.	Gov't Office: 500 - 800,000 sq. ft. Hospital expansion OR Condo Housing: 600 units		
2195 Yonge St. (1.95 acres)	Commercial Office: 250,000 sq. ft. (incl. 35,000 sq. ft. gov't office) Condo Housing: 250 units	Commercial Office: 320,000 sq. ft. (incl. 35,000 sq. ft. gov't office) Seniors Housing: 125 units Retail: 20,000 sq. ft.	Commercial Office: 320,000 sq. ft. (incl. 35,000 sq. ft. gov't office) Seniors Housing: 250 units Retail: 20,000 sq. ft.	Social Housing: + 125 units
Ellesmere/McCowan (9.0 acres)	Commercial Office: 535,000 sq. ft. Government Office: 250,000 sq. ft. Condo Housing: 170 units Rental Housing: 170 units Seniors Housing: 200 units	Commercial Office: 535,000 sq. ft. Government Office: 250,000 sq. ft. Condo Housing: 170 units Rental Housing: 170 units Seniors Housing: 200 units		
5000 Yonge St. (Provincial site) (7.36 acres)	Government Office: 400,000 sq. ft.	Government Office: 575,000 sq. ft. Commercial Office: 585,000 sq. ft. Retail: 125,000 sq. ft. Condo Housing: 400 units Seniors Housing: 325 units	Government Office: 540,000 sq. ft. Commercial Office: 585,000 sq. ft. Retail: 125,000 sq. ft. Condo Housing: 250 units	Government Office: - 35,000 sq. ft. Condo Housing: - 150 units Social Housing: - 325 units
Falstaff/Keele (24.1 acres)	Single-family Housing: 125 units Public Park: 4 acres	Single-family Housing: 110 units Seniors Housing: 200 units Public Park: 2 acres		
Burnhamthorpe/427 (9.6 acres)	Commercial Office: 650,000 sq. ft. Condo Housing: 270 units	Commercial Office: 650,000 sq. ft. Condo Housing: 270 units Retail: 15,000 sq. ft.		
Lakeshore Hospital (Residual site) (32 acres)	Condo Housing: 1,000 units Seniors Housing: 200 units Retail: 50,000 sq. ft.	Condo Housing: 1,000 units Seniors Housing: 200 units Retail: 50,000 sq. ft.	Condo Housing: 500 units Seniors Housing: 100 units Retail: 50,000 sq. ft.	Condo Housing: - 500 units Social Housing: - 100 units

The other public benefits, as noted, would include sites for the new courthouse and the Ballet-Opera, small local parks at 2195 Yonge, Falstaff, and East of Bay, and the major open space at Lakeshore Hospital.

The suggested alternative developments involve interim use of the East Bayfront properties; the package approach for the other Toronto properties; reduced development at the Lakeshore site; and independent development of the residual provincial site at 5000 Yonge. The projected effect of these alternatives is tabulated in the last column in the table.

VALUE AND REVENUE

The projected development value of the properties is itemized in the table on the next page, which sets out the estimated value of each property as now zoned; the estimated current market value; and the projected value of the properties

In summary, the total portfolio is valued as follows:

Current zoning - $312 million

Current market - $418 million

Proposed development - $406 million

The indicated difference between current market value and proposed development value is a composite figure which reflects both negative and positive factors -- the foregone opportunity costs associated with using some of the sites for social housing rather than private condominiums, and the value appreciation on some of the sites that would be generated by the proposed development. (It should be noted that for many of the properties the projected development scenarios are considered to approximate the current market values.) It is also noted that the value of the total portfolio under its current zoning is estimated to be around $100 million less than its current market value.

Of the total development value of $406 million, direct government uses would account for nearly $100 million, leaving a net development value of $305 million. The indicated level of revenue productivity is therefore around 75%. This may be misleading, since it does not take into account the fact that substantial new government accommodation is proposed to be provided on properties west of Bay Street that are not included in these calculations.

It is evident that development of the portfolio along the suggested lines should be expected to be highly productive with respect to revenue, while at the same time generating a substantial amount of both private and assisted housing. Taken as a whole, it is considered that the overall results of the

ESTIMATED VALUE OF PROPERTIES

Property	Current Zoning ($ Million)	Current Market ($ Million)	Proposed Development ($ Million)
90 Harbour St.	15.4	34.5	34.5
East Bayfront (LCBO)	41.7	41.7	3.4
East Bayfront (OPP)	13.0	13.0	21.7
70 Lombard St.	2.1	2.1	1.1
145 Queen West	67.2	67.2	95.4 (50.4 Net)*
Armoury/Chestnut	27.4	27.4	27.4 (0 Net)*
East of Bay	35.7	92.9	82.4 (57.5 Net)**
2195 Yonge St.	17.6	17.6	17.7
Ellesmere/McCowan	17.0	17.0	20.6 (16.9 Net)*
5000 Yonge St. (Provincial Site)	56.3	56.3	57.9 (37.2 Net)*
Falstaff/Keele	3.5	9.8	11.0
Burnhamthorpe/ East Mall	5.0	10.7	15.6
Lakeshore Psychiatric (Residual Site)	9.6	28.0	17.3
TOTAL	311.5	418.2	406.0 (310.1 Net)* (286.1 Net)**

* (Net Value = Government uses deducted)
**(Net Value = Government uses and Ballet Opera deducted)

proposed program would provide a suitable balance in meeting the parallel objectives of supplying government accommodation, generating revenue, and providing housing and other public benefits.

IMPLEMENTATION

A. Development Mechanisms

The properties can be developed through a variety of mechanisms, including joint venture, land lease to developers, sale/leaseback, the Province serving as developer of its own buildings, and outright sale. The implications of utilizing the various mechanisms are reviewed in Appendix 2. As a general rule, it is concluded that the most effective way of proceeding is for the government to develop the buildings it needs for its own purposes and to dispose of the other properties to private developers on a tender basis. This general approach should allow the government to secure the true market value from the properties without the attendant financial or political risks associated with the other kinds of mechanisms.

There are clear exceptions to this principle. For some properties, some form of proposal call would be advantageous (for example, if it is determined that some of the proposed condominium sites can be used to generate social housing sites at other locations). At East Bayfront (as noted in Report 4), it may be advantageous to pursue land lease arrangements. At Ellesmere/McCowan some form of joint venture may prove desirable. The northern East of Bay block (Wellesley to Breadalbane) could present complex development questions which may require a sophisticated development mechanism.

The actual development mechanisms to be employed will depend, in the end, on practical circumstances attending each property at the time in question. The general model which is proposed here is that the parcels to be used for government purposes should be developed by the government directly, and that the parcels for private use should be disposed of outright.

B. Timing

Most of the properties in the portfolio are market-ready; that is, they could be comfortably disposed of for the intended use without having to wait for advantageous market conditions to materialize. The exceptions in this respect are the East Bayfront sites, the commercial portion of the Burnhamthorpe site, and the 90 Harbour Street site (because of the uncertainties surrounding the central waterfront development at the present time). For the other sites that are proposed for private commercial or residential use, there is probably not much advantage to be gained by holding in anticipation of a rise in market value.

Constraints on early disposal stem from other considerations. First is the fact that some of the properties are encumbered with users who cannot be readily relocatd. This applies particularly to 145 Queen, but may also be a factor of concern with respect to the LCBO East Bayfront property. Production of the 2195 Yonge site, 70 Lombard, and some of the East of Bay parcels may also require complicated relocation arrangements.

The second constraint on disposal concerns zoning approval. Except for 70 Lombard, 2195 Yonge, and two of the six East of Bay parcels, the sites would require some form of rezoning for the proposed development to proceed. For some of the properties needing rezoning, disposal prior to rezoning could probably be carried out without prejudicing their market value, but for the prime revenue properties -- particularly 145 Queen, 90 Harbour, and the Wellesley-Maitland block at East of Bay -- rezoning prior to disposal is advisable. (The other important revenue property, 5000 Yonge, requires Official Plan amendment, which is already in process.)

In summary, the following implementation sequence is indicated:

90 Harbour	- Hold until zoning situation clarified
70 Lombard	- Dispose
145 Queen	- Hold until rezoned and Courthouse confirmed
Armoury/Chestnut	- Proceed with rezoning
East of Bay	- Various (see Report 3)
2195 Yonge	- Dispose
Ellesmere/McCowan	- Hold until rezoned or dispose subject to rezoning(except government building)
5000 Yonge	- Dispose (except government building)
Falstaff/Keele	- Dispose
Burnhamthorpe/427	- Proceed with rezoning; dispose of residential and hold commercial
Lakeshore Hospital	- Hold until rezoned (or proposal call)
East Bayfront	- Alternative options (see Report 4)

The timing question has particular relevance for 145 Queen Street, which represents the key development opportunity in the portfolio. Present indications are that to be successful the site should be marketed relatively soon (by the early 1990's at latest), while the downtown office space supply/demand equation remains relatively favourable to land values. Failing that, it might be advantageous to withhold the property from the market until the next commercial office development cycle materalizes, a period of perhaps 5 to 7 years. As already emphasized, this timing imperative for 145 Queen has to be matched with the rezoning of Armoury/Chestnut and the courthouse construction program, which is understood to be aimed at a 1993-94 completion date. It is clear that the successful implementation of the overall development program will hinge to an important extent on the ability to expedite the rezoning and construction program for the new courthouse.

V. CONCLUSIONS

1. The MTPR portfolio has a strong potential for satisying the government's property objectives. In total, the portfolio could be developed to provide over 2 million sq. ft. of government office accommodation; around 4 million sq. ft. of commercial office space; 300,000 sq. ft. of retail space; around 2 million sq. ft. of industrial or quasi-commercial space; and a total housing supply of 4,500 units (35% in the form of social housing). The property portfolio can also be used to provide important public benefits, including the retention of the Old City Hall as an operating building, provision of sites for the Toronto Courts Complex and the new Ballet Opera House, and some local parkland in North York and Toronto (in addition to the major lakeshore park area to be transferred to the MTRCA in Etobicoke).

2. The current market value of the portfolio is estimated to be over $400 million. Around 75% of this amount, or $310 million, could be generated as revenue from the disposal of sites for private development.

3. The proposed development program adheres to the government's portfolio management policy. It can provide sites to accommodate new government office space at Queen's Park (800,000 to 1,300,000 sq. ft.); downtown Toronto (400,000 to 650,000 sq. ft.); North York (500,000 to 600,000 sq. ft.); and Scarborough (250,000 sq. ft.). The portfolio does not provide a suitable location for new government accommodation in Etobicoke. The development program can also furnish two or three suitable locations for relocating the Ontario Hydro facilities that are to be displaced by the Princess Margaret hospital development on University Avenue.

4. In direct terms, the proposed program would provide sites for 1,560 social housing units. Indirectly, the portfolio could in theory support the acquisition of sites for 20,000 to 25,000 social housing units elsewhere, through the revenues generated by the sale of private development sites. Practically speaking, suitable social housing sites are not likely to be available in the indicated quantities. The real potential for securing social housing through the property portfolio would be attained if it were possible to "trade" properties; i.e. make private development sites available to developers prepared to supply equivalent sites (in value terms) for social housing at other locations. This would entail a fundamental policy decision on the part of the government.

5. It has been concluded that the initial premise that the portfolio should be dealt with as a consolidated development package will not be tenable, and that it will be more effective to deal with the properties on a site-by-site basis. (However, certain groups of individual properties should be dealt with together.) It is also concluded that complex development mechanisms should not be employed, as a rule; that the

government should develop for itself the buildings it will be occupying, and that generally speaking the sites for private development should be disposed of outright rather than by way of land lease, joint venture, etc. There will be exceptions to this principle, however.

6. The key properties in the portfolio are 145 Queen (and the related Courthouse and Old City Hall properties); 90 Harbour Street; the Wellesley-Maitland block at East of Bay; and 5000 Yonge. The following conclusions are reached with respect to these properties:

   a. 145 Queen: This property will be the biggest revenue producer in the portfolio, but must be brought into a marketable position within the next 3-4 years. This will require a significant acceleration in the normal process for procuring the new Courthouse at Armoury/Chestnut, including both development processing and the design and construction process. It will also require an early determination of the feasibility of using the Old City Hall for the ABC's of the AG Ministry.

   b. 90 Harbour Street: This site meets the requirements for relocating Ontario Hydro from University Avenue, and also has significant revenue potential. Development of the property will involve a very complex negotiation process. An early decision will have to be made whether to use part of the site for condominiums; it is also possible that 90 Harbour will have to be dealt with in relation to the East Bayfront properties.

   c. Bay-Wellesley: This block should be divorced from the rest of the East of Bay lands. The Ballet Opera site should be planned in conjunction with the proposed commercial office parcel so as to produce appropriate building arrangements for the entire block and to secure the most effective utilization of potential density rights on the block. (The commercial site may also be suitable for the Ontario Hydro building.) An appropriate way to proceed would be to convey the entire block, which is valued at $55 million, to the Ballet Opera House Corporation, in place of any future capital grants. The Corporation and the government would then have to work out with the City the acceptable density arrangments and the provision of public park spaces. This would include a determination of whether to sell off the Yonge frontage, valued at $7 million, or incorporate it in the Ballet Opera building plans.

   d. 5000 Yonge: This site also meets the requirements for relocating Ontario Hydro, and is ripe for development. The appropriate way to proceed would be to finalize the development plan and secure development approval for the entire block, including the Performing Arts Centre, prior to effecting the property transfer between the former PAC site on Beecroft and the new PAC site on Yonge. The property transfer could then be carried out on the basis of financial

considerations related to the development plan, and the government would be in a position to proceed with early development of the remainder of the block.

7. Most of the other properties are considered to be market-ready, and could be disposed of without waiting for more favourable market conditions. These include 70 Lombard; 2195 Yonge; the other East of Bay parcels; Falstaff/Keele; Ellesmere/McCowan; and the southern portion of Burnhamthorpe/427. For some of these properties, disposal would have to be conditional on relocating the present users. Some of these sites do not require rezoning (2195 Yonge, 70 Lombard, and two of the East of Bay parcels); for the others, disposal should be conditional on rezoning (Falstaff, Burnhamthorpe), or should be rezoned prior to disposal (Ellesmere/McCowan, and the other East of Bay parcels). For the suburban properties the ultimate determination as to whether to rezone prior to disposal or dispose subject to rezoning will have to await detailed study.

8. It is concluded that the East Bayfront properties should be made available to the Toronto Star only if it proves physically and economically feasible to provide for an integrated development which incorporates the proposed computer centre (or equivalent). If this cannot be achieved, an interim program should be pursued, until the future development pattern for the area has been clarified and the long-term development values have materialized. This would provide for the LCBO facilities to remain in place for the duration of their economic viability (perhaps 10 years), and the OPP site to be utilized for quasi-commercial uses, such as the proposed computer centre or equivalent. Failing this, the present OPP buildings should be retained and made available for short-term commercial/industrial uses. If it is decided to convey the property to Torstar for exclusive use, it should not be sold outright. The government should retain the value appreciation by leasing the properties for the projected economic life of the newspaper plant, which is understood to be 30 years.

9. The present government machinery is not conducive to an efficient and effective development program. The need to reconcile disparate internal interests and the complexity of the government decision process constrain the ability to identify and satisfy the actual government "interest" in the individual properties. The problems are bureaucratic, political and structural in nature. To proceed expeditiously with the development of the portfolio will require a substantial improvement in the government machinery. There is a need for a process that can produce authoritative and timely decisions as to the provincial interest in each property, and that facilitates authoritative and timely actions to secure this interest. This might be achieved with improved departmental arrangements, but in the end a crown corporation or similar kind of arrangement may be needed to apply on the ground the policy which has been established at central government levels.

APPENDIX 1

PROPERTY INVENTORY

Toronto

1. 90 Harbour Street
2. East Bayfront - LCBO (55 Lakeshore Boulevard)
3. East Bayfront - OPP (128 Queen's Quay East and 125 Lakeshore Boulevard)
4. 70 Lombard Street
5. 145 Queen Street West
6. Armoury/Chestnut
7. East of Bay/West of Bay (Wellesley-Grenville)
8. 2195 Yonge Street

Scarborough

9. Ellesmere/McCowan

North York

10. 5000 Yonge Street
11. Falstaff/Keele

Etobicoke

12. Burnhamthorpe/East Mall (427)
13. Lakeshore Psychiatric Hospital

1. 90 HARBOUR STREET

Area

2.49 acres/1.01 hectares
108,290 sq. ft./10,060 sq. m.

Current Use

- Administrative offices; part of OPP Headquarters (also at Property #3: 128 Queen's Quay East and 125 Lakeshore Boulevard)

- Existing building provides 166,000 sq. ft./15,420 sq. m. of floor space in a five-storey building with three-storey wings on the east and west

Surroundings

- Adjacent uses:
  North: Lakeshore Boulevard and Gardiner Expressway
  South: York Street ramp, Waterpark Place office and residential development
  West: York Street, Gardiner Expressway, carpound
  East: Toronto Harbour Commission offices, World Trade Centre development

- Significant other nearby uses:
  North: Railway Lands development
  South: Harbour Square condos, Graywood condominium development
  West: Railway Lands development
  East: World Trade Centre development

Access and Exposure

- Close proximity to Gardiner Expressway and Lakeshore Boulevard; theoretically good road access, but local traffic conditions are congested and will likely deteriorate; York/Bay ramp may be replaced by direct access to York

- Limited access to public transit, with pedestrian movement constrained by traffic congestion; transit service will improve with new Harbourfront LRT line

- Good physical exposure from Gardiner Expressway and Lakeshore Boulevard

- Western end of site has unimpeded lake view over York Street slip

Planning Context

- o Official Plan: "Central Harbour" (Part II required)
- o Zoning: C1 V1, FSI 3.0
- o Uses permitted: Retail, office, studio, and residential on upper floors of C1 use (rezoning requires Part 2 Official Plan amendment)
- o Density: Commercial: 3 x lot area = 324,870 sq. ft./30,180 sq. m.
  Residential: 150 units/ha (60/acre) = 150 units maximum
  Mixed Use: maximum g.f.a. 324,870 sq. ft.
- o Height: Unrestricted except for a residential building which is limited by 60^{o} angular plan
- o Current development proposals in area: World Trade Centre, FSI=7.0 (O.M.B. approval under appeal)

Government Accommodation Implications

Not a desirable location for new government offices, but appropriate for relocation of Ontario Hydro from University Avenue (Princess Margaret Hospital site). (See also Property No. 10 - 5000 Yonge Street)

Development Potential

- o Strengths of site: Part of Central Waterfront Area redevelopment and immediately adjacent to high density and high profile World Trade Centre development; lake view from western end of property
- o Limitations: Traffic congestion problems; suitability for residential use limited by poor street-level environment
- o Options: Redevelopment for high-density office use with ancillary retail use; less desirable for residential use (non-family); potential joint development with World Trade Centre; possible site for relocation of Ontario Hydro (from site intended for Princess Margaret Hospital development)

2. EAST BAYFRONT-LCBO (55 LAKESHORE BOULEVARD EAST)

Area

11.4 acres/4.6 hectares
496,400 sq.ft./46,120 sq. m.

Current Use

- LCBO and LLBO Head Offices; LCBO warehouse, distribution centre, bottling plant, laboratory and retail store; parking; private parkette; rail easement

- Existing floor space includes:
  88,000 sq.ft. - office building
  363,000 sq.ft. - warehouse, bottling plant, laboratory, and offices
  16,600 sq.ft. - retail store

Surroundings

- Adjacent uses:
  North: Lakeshore Boulevard and Gardiner Expressway
  South: Queen's Quay, Marine Terminal 27, Redpath Sugar
  West: Toronto Star office, plant, and parking lot
  East: OPP offices, garage, parking

- Significant other nearby uses:
  East: Industrial development
  North: St. Lawrence community (north of railway and expressway)
  West: Harbour Castle Hilton convention centre and future World Trade Centre

Access and Exposure

- Good access and visibility from Gardiner Expressway

- Constrained site access (east-bound only) from Lakeshore Blvd.

- Poor access to public transit, mediocre pedestrian environment

- Convenient access to LCBO warehouse for licencees in CBD

- Adjacent to Central Waterfront development

Planning Context

- o Official Plan: Industrial
- o Planning district: East Bayfront
- o Zoning: C2 V4 (subject to freeze)
- o Uses permitted: All commercial C1 uses including retail, office, financial institutions, transportation centre, manufacturing, workshops, storage, no residential (downzoning to eliminate commercial office uses adopted by Council but not submitted to OMB; interim freeze by-law -- 1 to 2 years -- will likely be adopted by Council)
- o Density: 12 x lot area = 5,959,000 sq.ft./553,590 sq. m.
- o Height: Unrestricted
- o Current development proposals in area: Marine Terminal 27 proposal (Avro), World Trade Centre two blocks to the west.

Government Accommodation Implications

Redevelopment would involve substantial LCBO relocation program, including major policy decision re continuing bottling operation; no serious locational constraints on relocating office activities, but warehouse/distribution centre requires central Toronto location and retail store requires surface parking

Development Potential

- o Strengths of site: Substantial size of site; proximity to CBD and highway system; prospects for combined redevelopment with the adjacent properties (Toronto Star and OPP); proximity to waterfront development corridor
- o Limitations of site: Local traffic congestion; rail easement crossing site; intervening local street (Cooper Street); uncertainty of current municipal policy re East Bayfront area (industrial vs. commercial and/or residential); premature development market for central waterfront uses
- o Options: Strong potential for early industrial redevelopment (Star printing plant and offices) and quasi-commercial development (computer centre); long-term potential for commercial office development; alternative option - interim uses (LCBO, warehousing, etc.) pending market demand and resolution of public policy re East Bayfront

3. EAST BAYFRONT - OPP (128 QUEEN'S QUAY EAST & 125 LAKESHORE BOULEVARD EAST)

Area

4.11 acres/1.66 hectares
179,200 sq. ft./16,650 sq. m.

Current Use

- Administrative and operational offices, laboratories, mobile units and garage; part of OPP Headquarters (also at 90 Harbour Street)

- Existing floor space includes 53,000 sq. ft./4,920 sq. m. of warehouse and 35,350 sq. ft./3,290 sq. m. of garage area

Surroundings

- Adjacent uses:
  North: Lakeshore Boulevard and Gardiner Expressway
  South: Queen's Quay, Redpath Sugar
  West: LCBO
  East: Jarvis Street, industrial and warehouse

- Significant other nearby uses:
  North: St. Lawrence housing north of railway
  South: Marine Terminals 28 and 29 (substantially vacant)

Access and Exposure

- Good exposure from Lakeshore Boulevard and Gardiner Expressway

- Lakeshore Boulevard (one-way east) provides fair access

- Access to CBD and St. Lawrence neighbournood by Jarvis Street

- Very poor access to public transit; mediocre pedestrian environment

Planning Context

- Official Plan: Industrial

- Zoning: C2 V4 (subject to freeze)

- o Uses permitted: All commercial C1 uses including retail, office, financial institutions, transportation centre, manufacturing, workshops, storage, no residential (downzoning to eliminate commercial office uses adopted by Council but not submitted to OMB; interim freeze by-law -- 1 to 2 years -- will likely be adopted by Council)

- o Density: 12 x lot area = 2,150,400 sq.ft./199,800 sq.m.

- o Height: Unrestricted

- o Current development proposals in area: Marine Terminal 27 proposal (Avro)

Government Accommodation Implications

OPP uses slated for early relocation; no other significant government uses currently suitable for this property.

Development Potential

- o Strengths of site: Proximity to CBD and highway system; proximity to waterfront development corridor; prospect for combined redevelopment with adjacent LCBO property

- o Limitations of site: Uncertainty of current municipal policy and premature development market for central waterfront uses (similar to Property No.2, LCBO)

- o Options: Strong potential for early industrial redevelopment (Star printing plant) and quasi-commercial development (computer centre); long-term potential for commercial office development (in conjunction with adjacent LCBO site); alternative option - interim warehousing-type uses pending market demand and resolution of public policy.

4. 70 LOMBARD STREET

Area

0.54 acres/0.22 hectares
23,480 sq. ft./2,180 sq. m.

Current Use

- Offices for Chief Election Officer, and storage for Metro area ballot boxes
- Existing one-storey office/warehouse provides 25,500 sq. ft./ 2,370 sq. m.

Surroundings

- Adjacent uses:
  - North: Richmond Street, mixed height (max. 5 storeys) warehouse, office and residential
  - South: Lombard Street, mixed height residential and warehouse
  - West: Parking lot, retail, office and residential (some historic buildings)
  - East: New residential (9-storey condo building), warehouse and manufacturing
- Other nearby significant uses:
  - Southeast: Condominium/hotel development (15 storeys) under construction at Lombard and Jarvis
  - South: St. James Cathedral and adjacent park

Access and Exposure

- Direct access to Lombard and Richmond; good access to Church, Adelaide and Jarvis
- Good access to public transit
- Pedestrian movement in area is relatively easy
- Low profile site and area

Planning Context

- o Official Plan: Medium density mixed commercial-residential
- o Zoning: Northern half - CR L2 U350
  Southern half - CR L1 U350
- o Uses permitted: Commercial and residential
- o Density: Commercial: 1 x lot area = 23,480 sq. ft./2,180 sq. m.
  Residential: 140 units per acre/350 units per hectare = 75 units
  Combined (K): 4 x lot area = 93,920 sq. ft./8,720 sq. m.
  Additional residential units: maximum 93,920 sq. ft. (K=4)
- o Height: 150 ft./46 m.
- o Current development proposals in area: None at application stage

Government Accommodation Implications

Redevelopment requires relocation of Chief Election Officer and ballot storage; little locational constraint on relocation

Development Potential

- o Strengths of site: Accessible to downtown arterial street system and public transit; potential for joint development with adjacent parking lot (zoned CR L2 U150) to maximize mixed-use zoning potential
- o Limitations of site: Small site area; likely resistance to rezoning or building height exceeding 8-9 stories from residents of new condominium adjacent to east
- o Options: Strong potential for redevelopment for residential use (condominium or social housing); some potential for retail (particularly in conjunction with adjacent properties)
- o Present zoning capacity of 75 units could be increased to 160 units with mixed development rezoning
- o Present 93,920 sq. ft. limit on residential option could be bonused by 1.25 for assisted housing pending passage of proposed legislation

5. 145 QUEEN STREET WEST

Area

1.75 acres/0.71 hectares
76,230 sq. ft./7,080 sq. m.

Current Use

- Supreme and District Courts, related administrative facilities, and parking lot

- The existing seven-storey building, an office facility renovated for courtroom use, provides 110,630 sq. ft./10,280 sq. m. of floor space

Surroundings

- Adjacent uses:
  North: Queen Street West, Osgoode Hall
  South: Richmond Street, Westin Hotel
  West: University Avenue
  East: York Street, Sheraton Centre

- Significant other nearby uses:
  North: Supreme and District Courts at 361 University Avenue
  Northeast: City Hall, Nathan Phillips Square, Old City Hall
  West: Bank of Canada, Canada Life

Access and Exposure

- Excellent access and exposure from University Avenue and Queen Street

- Excellent access to public transit (subway and streetcar)

- Good pedestrian environment

Planning Context

- Official Plan: Financial District

- Zoning: CR L8 U400

- Uses permitted: Commercial and residential

- Density: Commercial: 8 x lot area = 609,840 sq. ft./56,640 sq. m.
  Residential: 160 units per acre/400 units per hectare = 283 units
  Combined (K): 12 x lot area = 914,760 sq. ft./84,960 sq. m.

- o Height: 250 ft./76 m.
- o Current development proposals in area: Sun Life/Zurich; Markborough (commercial office)

Government Accommodation Implications

Existing courts to be relocated to new courthouse at Armoury/Chestnut (Property No. 6), possibly by 1993-94; suitable site for government offices and facilities benefiting from court-related location (AG headquarters and ABC's).

Development Potential

- o Strengths of site: Highly accessible and visible; convenient to government and legislative uses; redevelopment of the site could reinforce the major public precinct in west downtown; one of the last available downtown sites for major office development; potential for direct access to subway station
- o Limitations: Height limit (25 stories)
- o Options: Very strong potential for office redevelopment, with ancillary retail benefiting from location; limited potential for residential

6. ARMOURY/CHESTNUT

Area

1.64 acres/0.66 hectares
71,270 sq. ft./6,620 sq. m.

Current Use

- Two-thirds of the site used as parking lot (about 47,000 sq. ft./4,365 sq. m.)

- Small church building on site (18-month unexpired lease)

Surroundings

- Adjacent uses:
  North: Condominium/hotel under construction (Chestnut Park)
  South: Armoury Street, 361 University (Supreme and District Courts)
  West: Centre Street, offices (former Bell Building, under renovation)
  East: Chestnut Street, Holiday Inn, Cityhome

- Other significant nearby uses:
  North: Dundas Street retail
  Southeast: City Hall, Nathan Phillips Square
  South: Osgoode Hall
  West: University Avenue office buildings

Access and Exposure

- Site is one block from University Avenue, from Dundas Street, and from Queen Street

- Exposure is limited by lack of direct access to major streets, but enhanced by location at northwest corner of Nathan Phillips Square

- Good access to public transit (subway and streetcar)

- Good pedestrian environment

Planning Context

- o Official Plan: High density mixed commercial-residential
- o Zoning: CR L4.5 U480
- o Uses permitted: Commercial, residential, institutional
- o Density: Commercial: 4.5 x lot area = 320,710 sq. ft./29,790 sq. m.
  Residential: 192 units per acre/474 units per hectare = 314 units
  Combined (K): 7.8 x lot area = 555,900 sq. ft./51,640 sq. m.
  Additional residential units: maximum 555,900 sq. ft. (K=7.8)
- o Height: 250 ft./76 m.
- o Current development proposals in area: renovation proposal for former Bell building to west (fronting on University); new condominium/hotel on the northern boundary constructed to the maximum height (250 ft./76 m.), with residential density 4.86 FSI, non-residential (hotel) 7.52 FSI, total density = 12.38 FSI

Government Accommodation Implications

Property purchased for new courthouse (Toronto Courts Complex) replacing courtrooms at Old City Hall, 145 Queen, College Park, etc. Pre-programming study indicates need for 81 courtrooms and ancillary facilities.

Development Potential

- o Strengths of site: Proximity to Supreme and District Courts at 361 University and Osgoode Hall; proximity to Metro and City government offices and Nathan Phillips Square
- o Limitations: Minor vehicular access constraints; (visual relationship to Nathan Phillips Square) building bulk relationship to new condominium to north
- o Options: Courthouse development only; will require rezoning to achieve necessary space

7. EAST OF BAY/WEST OF BAY

Area

East of Bay: (excluding George Drew building and Coroner's Court):
6.38 acres/2.58 hectares
277,910 sq. ft./25,820 sq. m.
West of Bay: 1.63 acres/0.66 hectares
70,975 sq. ft./6,594 sq. m.

Current Use

East of Bay

- Government properties along Bay from Wellesley to Grenville (excluding Herman Furs at Bay and Grosvenor), with eastern extensions along Wellesley and Grenville

- Properties currently accommodate a range of uses including mostly low-rise office, storage, and parking; two heritage buildings (Bay Centre for Birth Control and Institute of Public Administration of Canada)

West of Bay

- Government properties include office and bookstore (880 Bay), and Addison Cadillac (Grenville to Grosvenor), leased to 1993 (but available earlier on 12-month notice)

Surroundings

- Significant nearby uses:
  - North: Sutton Place hotel (33 floors); new condominium developments
  - South: New Police Headquarters; new condominium; government office building (801 Bay)
  - West: Queen's Park (Macdonald Block and Whitney Block); Burton Hall (Women's College Hospital)
  - East: YMCA; fire hall; Forensic Sciences complex; retail and officeson Yonge Street

Access and Exposure

- Good access because of proximity to Bay, Wellesley, Yonge and College; traffic conditions often congested

- Good exposure for the properties with frontage on Bay or Wellesley

- Good access to public transit (bus, subway and streetcar)

- Fair pedestrian environment

Planning Context

East of Bay

- Official Plan designations: Medium and low density, mixed commercial-residential
- Zoning: CR L1 U150 - Wellesley to Grosvenor, excluding Yonge St.frontage
  CR L4.5 U480 - Grosvenor to Grenville, excluding Yonge St. frontage
  CR L2 U150 - Yonge St. frontage
- Uses permitted: Commercial and residential; institutional
- Density (see following map and table for individual property densities):

  CR L1 U150 - Commercial: 1 x lot area
  - Residential: 60 u.p.a./150 u.p.h.
  - Combined (K): 2 x lot area
  - Additional residential units (K): 1.5 lot area

  CR L4.5 U480 - Commercial: 4.5 x lot area
  - Residential: 192 u.p.a./480 u.p.h.
  - Combined (K): 7.8 x lot area
  - Additional residential units (K): 7.8 x lot area

  CR L2 U150 - Commercial: 2 x lot area
  - Residential: 60 u.p.a./150 u.p.h.
  - Combined (K): 2.5 x lot area
  - Additional residential units (K):1.5 x lot area

  Total properties: - Commercial: 438,090 sq. ft/40,700 sq. m.
  - Residential: 480 units
  - Combined (K): 774,760 sq. ft./71,975 sq. m.

- Height: 100 ft./30.5 m. Wellesley to Grosvenor, excluding Yonge St. frontage
  150 ft./46 m. Grosvenor to Grenville, excluding Yonge St. frontage
  60 ft./18 m. Yonge St. frontage

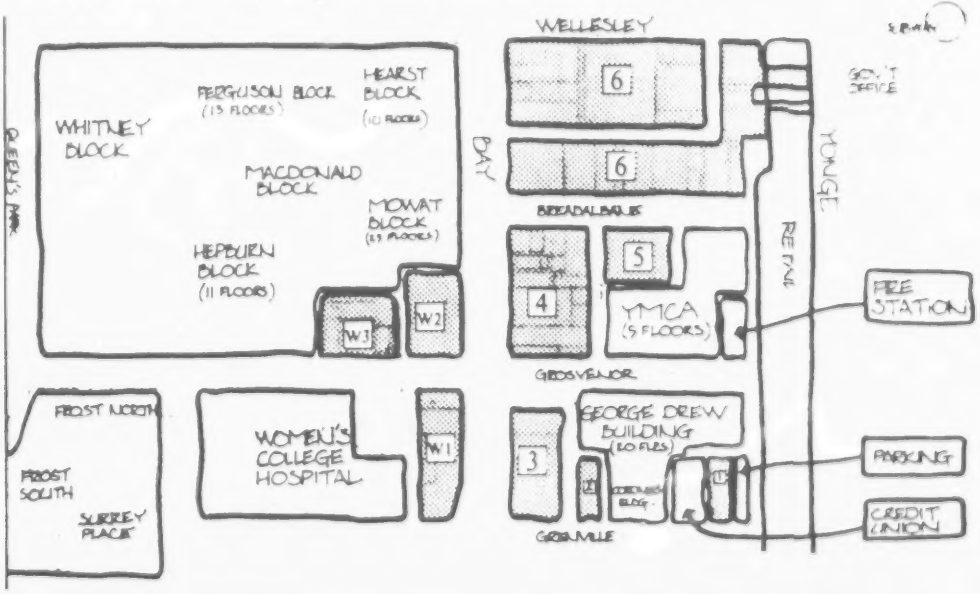
West of Bay

- Zoning: QR L4 U350 - Wellesley to Grosvenor
  CR L4.5 U480 - Bay St. frontage Grosvenor to Grenville

EAST OF BAY/WEST OF BAY: Current Densities

Property	Building Site (sq. ft.)	Zoning	Maximum Commercial (sq. ft.)	Maximum Residential (units)	Maximum Res'l F.S.I. Option (1,000 s.f./unit)	Combined (K) (sq. ft.)
East of Bay						
1	18,500	CR L2 U150	37,000	25	27	46,250
2	9,300	CR L4.5 U480	41,850	40	72	72,540
3	29,300	CR L4.5 U480	131,850	129	228	228,540
4	48,500	CR L1 U150	48,500	66	72	97,000
5	18,148	CR L1 U150	18,148	25	27	36,296
6A	124,278	CR L1 U150	124,278	170	129	248,556
6B	18,230	CR L2 U150	36,460	25		45,575
	266,256*		438,086	480	555	774,757
West of Bay						
W1	20,750	CR L4.5 U480	117,337	113		203,385
W2	22,500	QR L4 U350	90,000 (Institutional)	72		90,000
W3	22,400	QR L4 U350	89,600	71		89,600
	65,650		296,937	256		382,985

*Discrepancy with total site area may be attributable to lanes



- Uses permitted: QR L4 U350 - Institutional and residential
  CR L4.5 U480 - Commercial and residential

- Density (see map and table for individual property densities):
  QR L4 U350 - Institutional: 4 x lot area
  - Residential: 140 u.p.a./350 u.p.h.
  - Combined (K): 4 x lot area

  CR L4.5 U480 - Commercial: 4.5 x lot area
  - Residential: 192 u.p.a./480 u.p.h.
  - Combined (K): 7.8 times lot area

- Height: 100 ft./30.5 m. (Wellesley to Grosvenor)
  150 ft./46 m. Bay St. frontage (Grosvenor to Grenville)

- Current development proposals in area: recent rezonings for condominiums north side of Wellesley (FSI=10.5); south side Grenville (FSI=8.8); 770 Bay (residential FSI=12.6, plus retail); Women's College Hospital seeking expansion into Addison site; Opera/Ballet (pending)

Government Accommodation Implications

Earlier studies assumed potential need for 500,000 to 1 million sq. ft. new government space in area, concurrent with retrofitting of MacDonald Block buildings.

Development Potential

- Strengths of site: Proximity to Queen's Park; good access and exposure; potential social housing sites for density bonusing and transfer vis-a-vis downtown/waterfront commercial sites

- Limitations: Moderate traffic congestion; inadequate community facilities for family housing; high political profile and ingrained municipal attitudes re density and urban design objectives; complicated, unresolved negotiations with Opera/Ballet re future site boundaries; difficult to consolidate Yonge frontage because of very costly assembly problems

- Options: Strong potential for non-family housing (condominium, cooperative, Cityhome, singles) and for office commercial at Bay/Wellesley corner; assumes feasible to stage new government buildings west of Bay in conjunction with WCH expansion or Addison relocation (also suitable for long-term residential); Wellesley-Grosvenor block has good contingent potential for residential development if Opera/Ballet does not materialize at this location.

8. 2195 YONGE STREET

Area

1.92 acres/0.78 hectares
83,722 sq. ft./7,880 sq. m.

Current Use

- Government offices: about 50% of the existing building is used by the Ministry of Health (OHIP District Planning Office) and about 50% by the Ministry of Community and Social Services (Regional, Area, and some Head Offices)

- Existing ten-storey building provides 156,000 sq. ft. floor space

- Site contains 1/4-acre parkette

Surroundings

- Adjacent uses:
  North: Office, with some retail
  South: Office
  West: Yonge Street, office and retail (Canada Square)
  East: Mixed office/residential (rental and condominium)

- Significant other nearby uses:
  Northwest: Eglinton Centre office and retail development
  South: Single family housing
  East: Residential (Holly Street apartments) and parking garage

Access and Exposure

- Excellent access to Yonge Street and Eglinton Avenue

- Excellent access to public transit (subway and bus)

- Good pedestrian environment

- Good exposure because of Yonge Street frontage and location within major sub-centre of Toronto

Planning Context

- Official Plan designation: Regional Commerce Centre

- Zoning: CR L4 U300
- Uses permitted: Commercial and residential
- Density: Commercial: 4 x lot area = 334,800 sq. ft./31,103 sq. m.
  Residential: 120 u.p.a./300 u.p.h. = 230 units
  Combined (K): 5 x lot area = 418,500 sq. ft./38,878 sq. m.
  Additional residential units: max. 393,390/36,546 sq. m. (K=4.7)
- Height: 200 ft./61 m.
- Current development proposals in area: Canada Square expansion west of Yonge

Government Accommodation Implications

Present users can be relocated to other central or suburban government buildings, except for required district and area services (approx. 35,000 sq. ft.), which should remain in North Toronto.

Development Potential

- Strengths of site: Good access (automobile and public transit) and exposure, within major sub-centre of City; vacant part of site (north end) could allow staged development to retain existing office space until new office building constructed
- Limitations: Strong, effective residents organization (SERA) could seriously prolong any potential rezoning; likely strong political resistance to social housing (except seniors); prevailing belief existing parkette or equivalent should be retained; on-site parking required
- Options: Good office and residential potential, and for limited retail space; stage development with new office building at north (vacant) end of site, then apartment building to replace existing office building; public parking garage below grade

9. ELLESMERE/MCCOWAN

Area

9.0 acres/3.64 hectares
392,040 sq. ft./36,420 sq. m.

Current Use

o Parking and vacant

Surroundings

o Adjacent land uses:
  North: Parking/vacant (owned by Scarborough); LRT station
  South: Ellesmere Road, single family detached housing,
  West: McCowan Road, Scarborough City Centre
  East: Institutional (special school)

o Significant other nearby uses:
  North: Industrial; commercial office development (Consilium)

Access and Exposure

o Excellent access from Ellesmere and McCowan
o Easy access to Highway 401 (McCowan interchange)
o Excellent access to public transit (LRT station)
o Proximity to City Centre increases exposure

Planning Context

o Official Plan designation: City Centre
  - Permitted uses: Commercial, civic, residential, recreational
  - Density: Commercial, FSI 2 = 784,100 sq. ft.
    Plus residential, 25 units per acre = 225 units

o Zoning: M-Industrial

o Current development proposals in area:
  - Equity/Prudential (Consilium and Corporate Drive): office buildings and hotel
  - Magnolia Brothers (Consilium Drive and Progress): major office development
  - Fineway Properties (Ellesmere East): 4-storey office building

Government Accommodation Implications

Desirable location for "fair shares" government employment decentralization; should include courtrooms (property originally acquired as suburban courthouse site)

Development Potential

- o Strengths of site: Part of City Centre; accessibility to arterial roads, highway, and public transit; potential for joint development with Scarborough-owned site immediately north and abutting transit station; potential for joint development with school to east; available for immediate development

- o Limitations: Proximity to well-established low density residential area south of Ellesmere with likely resistance to social housing and/or high buildings; committed road along east boundary of site would impede joint development with adjacent school property

- o Options: Good potential for office commercial and condominiums, with limited ancillary retail; excellent location for government accommodation and seniors housing.

10. 5000 YONGE STREET

Area

7.36 acres/2.98 hectares (Provincial property)

2.5 acres/1.01 hectares (Municipal PAC site)

Current Use

- MTC office building (54,000 sq. ft./3 stories), parking (455 spaces)

Surroundings

- Adjacent uses:
  - North: North York Boulevard; North York municipal building and school board
  - East: Yonge Street, low-rise office and retail
  - South: Madison Centre office/retail development & Cineplex; Manhattan Place condominiums
  - West: Beecroft Road; cemetery

- Other significant nearby uses:
  - North: Mel Lastman Square; North York Central Library; office/hotel redevelopment
  - South: Federal Building
  - Southwest & Northwest: Low density residential

Access and Exposure

- Excellent access and exposure from Yonge Street and Beecroft
- Excellent access to public transit (subway and bus)
- Proximity to North York civic centre and proposed PAC increases exposure

Planning Context

- o Official Plan: Downtown
  (Proposed amendment referred to OMB)
- o Zoning: .03 - Open Space and Municipal Uses
- o Official Plan uses permitted: Commercial, residential, institutional
- o Density: 4.5 x lot area = 1,442,700 sq. ft./134,030 sq. .
  - Subject to overall density cap for "civic precinct" (provincial property, PAC site, and North York Blvd. "vista strip")
  - O.P. amendment will allow .5 x lot area for at-grade-retail bonus (equivalent to approx. 110,000 sq. ft. at grade level) and 1 x lot area for below-grade retail and malls
  - theatre density bonus
- o Height: 23 storeys (O.P amendment will allow 29 storeys on Yonge frontage)
- o Current development proposals in area: Current and prospective commercial/residential assemblies east of Yonge Street

Government Accommodation Implications

Current user (MTC) can be relocated to various locations. "Fair shares" decentralization policy would support provision of 400-500,000 sq. ft. government office building on site; also appropriate for relocation of HEPC from University Avenue (Princess Margaret Hospital site). (See also Property No. 1 - 90 Harbour Street).

Development Potential

- o Strengths of site: Good vehicular and transit access and exposure; strong development market; large site feasible for mixture of uses and activities
- o Limitations: Complicated arrangements with North York re PAC site; inhibiting effect of proposed North York Boulevard relocation through property; likely political and local resistance to social housing (exc. seniors); need to resolve proposed O.P. amendment (OMB hearing); high public profile
- o Options: Strong office, retail and residential potential; should accommodate mixture of public uses (government offices, possibly Ontario Hydro, public open space, seniors housing) and private uses (retail, commercial offices, condominiums)

11. FALSTAFF/KEELE

Area

24.09 acres/9.75 hectares

Current Use

- OPP detachment and district office; MTC office (formerly Driver Testing)
- Existing floor space: OPP (15,330 sq. ft.); MTC (16,000 sq. ft.)
- Over 95% of site vacant or used for parking

Surroundings

- Adjacent and nearby land uses:
  North: Highway 401 and MTC Downsview
  South: Low density housing
  West: Low density housing
  East: Keele Street; walk-up apartments; Canadian Tire; Triumph Hotel

Access and Exposure

- Limited site boundary on Keele, with access to Highway 401 constrained by congested traffic conditions
- Major boundary on Falstaff, with constrained access through low density residential areas
- Excellent exposure from Highway 401

Planning Context

- Official Plan designation: Major Institutional
- Zoning: O3 - Semi-Public, Open Space
- Uses permitted: Government, education, hospital, public utility
- Current development proposals in area: Proposal for a 3,000 sq. ft. office building east of Keele and south of Falstaff has been withdrawn

Government Accommodation Implications

Feasible to relocate current users (MTC/OPP), and no known candidates for government occupancy.

Development Potential

- o Strengths of site: Very large parcel; proximity to highway and arterial road; secondary access to west and south; proximity to neighbourhood facilities (schools, park, shopping, bus service)

- o Limitations: Narrow site geometry at east end; congested traffic and access at Keele Street; serious highway noise; likely local resistance to traffic-generating uses (commercial, industrial), multiple housing and social housing.

- o Options: Strong potential for residential subdivision (approx. 110 lots); desirable location for seniors housing complex (e.g. Villa Colombo), approx. 200 units

12. BURNHAMTHORPE/EAST MALL (427)

Area

9.58 acres/3.88 hectares
417,300 sq. ft./38,770 sq. m.

Current Use

- Vacant

Surroundings

- Adjacent and nearby uses:
- North: Burnhamthorpe Road, 6 and 12-storey offices, medical/dental centre, extendicare facility.
- South: Queen's Court condominiums (22-storey apartment and 6-storey stacked townhouses - 60 units per acre)
- West: Highway 427, municipal offices, School Board
- East: East Mall, library, new condominium townhouses (Tridel)

Access and Exposure

- Excellent access to Highway 427 and Burnhamthorpe
- Fair access to public transit (bus)
- Good exposure due to visibility from Highway 427

Planning Context

- Official Plan designation: Commercial
- Zoning: CPP (Planned Commercial Preferred)
- Uses permitted: Offices, personal and commercial services
- Density: FSI 0.8 = 333,840 sq. ft./31,015 sq. m.
- Current development proposals in area: Valhalla Inn (1/4 mile south): OPA and zoning approval for office building (280,000 sq. ft.) including retail (54,000 sq. ft.) and recreational facilities

Government Accommodation Implications

Not a desirable location for "fair shares" decentralization (preferable Etobicoke location will be proposed civic centre development at Dundas/Kipling); some local political sentiment for court facilities at this property (site originally acquired for suburban courthouse).

Development Potential

- o Strengths of site: Size of parcel (could be enlarged by addition of adjacent 0.6-acre MTC strip); accessibility and exposure from Highway 427 and Burnhamthorpe; available for immediate development.

- o Limitations: Traffic improvements needed to support higher density than now permitted; poor location for social housing (inadequate support facilities); new home owners directly to east, with likely resistance to social housing, and possible resistance to higher density offices and apartments.

- o Options: Good potential for medium-density office development (with surface parking), and possibly ancillary retail; strong potential for comdominium housing. (NOTE: MGS rezoning application filed in 1984 for FSI 3.0; required traffic studies carried out, indicating $300,000 traffic improvements needed to support increased density.)

13. LAKESHORE PSYCHIATRIC HOSPITAL

Area

Total: 63.5 acres/25.7 hectares

Proposed redevelopment area: 32 acres/13 hectares

Current Use

- 25 buildings on-site, including Cottage Quadrangle (heritage buildings)
- Out-patient clinic, Jean Tweed Treatment Centre, film studios (8 buildings)
- Existing floor space: Total 280,000 sq. ft./26,010 sq. m.
- Unencumbered open space: Approximately 34 acres/14 ha.

Surrounding Environment

- Adjacent and nearby land uses:
  North: Lakeshore Boulevard, strip commercial, residential, Goodyear site
  South: Lake Ontario; Colonel Samuel Smith Park (93 acres land fill)
  West: Humber College; Lakeshore Teachers College; Metro Water Plant
  East: Thirteenth Street, residential (low density and walk-up apartments)

Access and Exposure

- Excellent access from Lakeshore Boulevard; good access to Kipling
- Good access to public transit (streetcar)

Planning Context

- Official Plan designation: Institutional
- Zoning: Institutional
- Uses permitted: Schools, churches, libraries, hospitals
- Current development proposals in area: Active planning/development studies underway for Humber College lands (west boundary of Lakeshore property) and Goodyear site (approx. 25 acres) directly northeast.

Government Accommodation Implications

No major government uses indicated, but relevant ministries want continuation of present activities (health services and film production); MNR wants entire property turned over to MTRCA.

Development Potential

- o Strengths of site: Very large area, with opportunity for establishing mixed residential community, and for joint development with Humber College; regional accessibility and exposure; potential for creative use of heritage quadrangle; proximity of major lakeshore park development.

- o Limitations: Multiplicity of government interests involved and complicated decision process; local resistance to residential development (generally) and social housing (specifically); municipal political and planning climate.

- o Options: Good potential for mixed residential development, including seniors housing, plus modest retail frontage strip; will require resolution of complex provincial/municipal decision processes.